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ABSTRACT

Before England's Education Reform Act of 1988, higher education (HE) provision in England's further education (FE) colleges was the responsibility of the local education authorities that owned, controlled, and funded the colleges and polytechnics for advanced and nonadvanced FE. In 1987-1997, HE in FE colleges was commonly considered a residual or ancillary activity, with its presence overshadowed by the rise of polytechnics in the 1980s and its development hindered by the dual arrangements governing its planning, funding, and quality assurance in the 1990s. After the Dearing inquiry into HE, FE colleges were charged with the mission of increasing student numbers, widening participation, and building progression in support of lifelong learning and a diverse system of HE. Analysis of policy documents and other secondary sources confirms that the policy treatment of HE provision in England's FE colleges over the past 15 years has been plagued by the following problems: (1) the slim and disconnected nature of the evidence base to guide contemporary policymaking; (2) the unstable, uncertain, and unfavorable conditions for colleges to deliver growth; and (3) the asymmetries of power and interest expressed in a dual system of tertiary education. A discussion of the statistics used in the analysis is appended. (Contains 95 references.) (MN)

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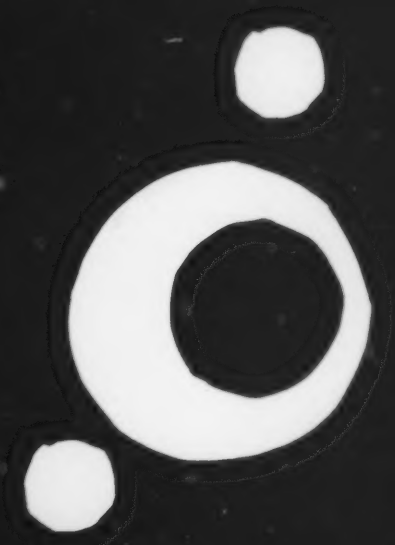
# closer by degrees

## the past, present and future of higher education in further education colleges



Gareth Parry and Anne Thompson

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Gareth Parry and Anne Thompson

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All interpretations and any errors are the sole responsibility of the authors.

# Foreword

*Closer by degrees* reports on the first phase of LSDA's research on higher education in further education. It is a qualitative, historical study of the issues surrounding the delivery of HE programmes in FE colleges. The report examines the relationship between the two sectors and tackles important questions to inform further research, and to help develop policy and practice in the delivery of higher level provision in FE colleges. The message that emerges most starkly from the report is that the FE/HE relationship as it has developed in recent times is not adequate to address the challenges of the future.

The rapid expansion and diversification of higher education, with better access for wider social groups, is now a major government priority. The nature of new policies means that effective FE college provision of higher education will be essential to their success. This is a radical and challenging agenda for both colleges and universities and calls for new approaches to the relationship between the two sectors.

This report comes at a critical moment in the roll-out of policies that followed the Dearing inquiry into higher education, published in 1997. These include the introduction of Foundation degrees – vocationally oriented higher education delivered in FE colleges, validated by universities and subject to HE quality assurance arrangements. Foundation degrees were also the first major element in a new approach to vocational education and vocational pathways into higher education – including the Centres of Vocational Excellence initiative in further education, the reform of GNVQs/vocational A-levels and vocational GCSEs.

These changes are accompanied by the most challenging target for participation in higher education ever set by government: 50% of 18–30 year olds should have participated in higher education by the year 2010. This cannot happen without increased involvement of further education in the delivery of locally available higher education or in the provision of local support for increased delivery of HE online. FE colleges will also have a key support role in providing students with the right entry qualifications and contributing to widening participation in higher education.

The stakes are high and the pace of change is daunting. It will be critically important to get the structures and systems at the HE/FE interface working effectively for successful learning. As this report shows, there is now a need for greater clarity and coherence about the relationship between HE and FE at the levels of policy, planning, practice and quality improvement, as well as shared understanding of the distinctive roles and responsibilities of colleges and universities in the delivery of higher education.

LSDA (then FEDA) commissioned this study in 2000 to create a stronger analytical and knowledge base for a key area of government policy: the relationship and respective roles of HE institutions and FE colleges in the development of higher education. Concern was frequently expressed by researchers, practitioners and policy developers about the lack of coherence and poor understanding of the interface between the two sectors – at the levels of policy, systems, institutions and learners.

A priority in LSDA's consultations was the need to address the issues facing the FE sector in delivering HE programmes, including approaches to teaching and learning; funding regimes; learning environments; student support and maintenance; inspection and quality assurance arrangements; and the way partnerships worked – and could work better – between universities and colleges.

When the LSDA commissioned this study, FE colleges were funded by the FEFC. Colleges could initiate and develop HE provision through collaborative models in accordance with their chosen mission. HEFCE funded prescribed HE programmes and FEFC funded the non-prescribed programmes. Now, of course, FEFC funding has been transferred to the Learning and Skills Council, which has a stronger remit for the planning of post-16 learning. The Secretary of State's remit letter to the Chair of LSC (December 2001) identifies the important role that the learning and skills sector has in increasing the proportion of 19 year olds with a Level 3 qualification in order to contribute to the HE target. And the Minister for Lifelong Learning and Higher Education has recognised the importance of non-prescribed HE in meeting the government's target for HE participation. In her evidence to the House of Commons Education and Skills Select Committee in December 2001, the Minister confirmed that QCA would be looking at a range of courses currently defined as professional qualifications to see whether they could appropriately be described as higher education. FE colleges primarily deliver such programmes.

In this fast-moving environment *Closer by degrees* has key messages drawn from the past and present for successful implementation of an ambitious policy agenda as well as for future policy development, funding and improved practice.

With this context in mind, I'd like to highlight key areas which, drawing on the present report and associated LSDA policy and research, could helpfully be addressed as early priorities to support the successful implementation of policy objectives.

**A stronger evidence base to inform policy**

We need to overcome the weak knowledge and evidence base at the HE/FE interface through strategic research and empirical studies to help shape sustainable policy at an early stage. It will be essential to create research-based evidence of demand, for example for Foundation degrees and non-prescribed higher education.

**Policy development for HE: distinctive roles but joint strategies to achieve coherence, growth and diversification**

Expansion and diversification of higher education has been hampered in the past by the distinctive structures and separate decision-making processes of further education and higher education. The creation of more distinctive roles for each sector actually requires more collaboration and coherence, replacing the tendency to separate development and fragmentation. The policy agenda would also be helped by greater clarity about the difference between HE (which includes FE colleges) and higher education institutions (HEIs). The conflation of the two in policy thinking often leads to confusion and hampers focused debate.

### Aligning data collection

To create an accurate information base and empirical data for policy and research, we consider that the alignment of data collection from FE colleges and HEIs is a matter of urgency. This is likely to require work towards a unique learner identifier and a system of credit.

### Meeting the target: growing and improving FE college delivery of HE

If the HE target is to be met by 2010, then measures need to be adopted quickly and unequivocally to expand the delivery of HE in FE colleges, within a clear framework of priorities. Such measures might enable the designation of FE centres for the development of vocational specialisation, building on the CoVE initiative – and to improve the quality of delivery.

### Vocational HE: creating pathways for progression

The development of the Centres of Vocational Excellence leads FE colleges to develop areas of specialism. One of the outcomes of this is to enhance vocational routes into higher education. The vocational pathway to HE levels needs to be developed strategically between the two sectors. Universities could consider, for example, how they might further encourage entry from students with specialist vocational qualifications.

### FE and the learning and skills sector: contributing to HE policy and planning

In the light of current policy, FE colleges, and the learning and skills sector overall, have a strong contribution to make to the strategic planning of higher education, but there is currently no mechanism to make this a reality.

### A network of HE providers in FE?

For some colleges, HE delivery needs to be seen as a clear strategic role, with mechanisms in place for a seat at the policy table. Otherwise, higher education in further education will continue to be a marginal and under-valued activity within the FE sector that would have a negative impact on the HE targets. A national network of FE colleges that prioritise higher education as part of their mission and deliver to a high standard – based on the so-called 'mixed economy group' – might be considered. This could create a stronger base for higher education in further education, and begin to build the necessary critical mass to meet the HE targets.

### Increased planning: the market alone cannot deliver

An implication of this report, which chimes with recent IPPR work, is the need for increased joint planning at a regional level between FE and HE. The 1990s showed how HE programmes taught in further education, lacking a strong policy steer, grew in unplanned, unsustainable ways. It is not evident that the market alone can deliver the combination of diversity of provision, widening participation and institutional stability needed to support the pace and desired direction of growth.

**Resources for expansion**

Expansion will require additional resources to support institutional infrastructure, teaching and learning, staff training and development. Thought also needs to be given to the differences in employment practices and pay between the two sectors. All these factors will have an impact on the ability of colleges to deliver high quality HE programmes.

**Manageable quality assurance**

A more coherent strategic approach across the FE and HE sectors should consider how to contain the divergent arrangements for inspection and quality improvement, including the potential for working towards better alignment of inspection frameworks.

Finally, to return to the research agenda, which will be critical to ensure successful future policy, we would identify the following as critical areas. There will be others.

**Teaching and learning: the experience of HE in FE : an urgent research agenda**

Research is needed to support the effective implementation of policy. It should focus on :

- the quality and comparability of HE in the two sectors
- learners' experiences in HE in FE
- student support systems
- the distinctiveness of teaching and learning in the sectors
- levels and types of resources and their impact on learning
- comparing teaching and learning approaches and cultures
- investigating professional development needs
- examining concepts of studentship and learner identity.

**The dual system of FE and HE**

We have yet to understand fully the intended and unintended consequences of the dual system and research could address the major policy and delivery implications of further developing HE in FE colleges.

**International comparisons**

Research that explores the effectiveness in other countries of both dual and integrated systems would be useful in order to inform the development of a larger HE system in England.

Our research efforts will be based on our commitment to consultation and working with all stakeholders in the FE/HE agenda.

*Ursula Howard*
*Director, Research*
*Learning and Skills Development Agency*

## Summary

The growth of higher education in FE colleges is at the centre of national policies to expand undergraduate education at levels below the honours degree and to incorporate this provision in a new vocational ladder spanning compulsory and post-compulsory education.

Following the Dearing inquiry into higher education, FE colleges were accorded a special mission to increase student numbers, widen participation and build progression in support of a lifelong and diverse system of higher education. More recently, the colleges were made the principal location for the delivery of foundation degrees, with the bulk of any further growth expected to be achieved through this new qualification.

Prior to this policy elevation, higher education in the colleges was commonly viewed as a residual or ancillary activity, its presence overshadowed by the rise of the polytechnics in the 1980s and its development hindered by the dual arrangements governing its planning, funding and quality assurance in the 1990s.

Based on an analysis of policy texts and other secondary sources, the study illustrates the silences, confusions and ambiguities which have marked the policy treatment of this provision in England over the last 15 years. In particular, the research has highlighted three key features of this history: the slim and disconnected nature of the evidence base to guide contemporary policy-making; the unstable, uncertain and unfavourable conditions for colleges to deliver growth; and the asymmetries of power and interest expressed in a dual system of tertiary education.

# Introduction

As providers of qualifying courses, as partners in collaborative schemes, and as providers of higher education in their own right, colleges in the FE sector in England have been in the van of developments contributing to more open, mass and distributed forms of higher education. In the 1980s, it was their success in building academic, vocational and 'access' routes into higher education which figured prominently, as increasing numbers of young people and adults used the colleges to qualify for entry to undergraduate education. In the 1990s, it was their capacity to deliver accessible, flexible and affordable higher education which attracted equal attention, first as auxiliary institutions in the drive to 'mass' levels of higher education and, later, as establishments accorded a central role in the next phase of expansion.

This report is mainly concerned with the development of colleges as providers of higher education, whether offered in their own name or on behalf of HE establishments. Relatively little has been written about the character and evolution of this provision in England, although there is a sizeable literature concerned with the changing relationships between further education and higher education (Bocock and Scott 1994; Abramson, Bird and Stennett 1996; Rawlinson, Frost and Walsh 1997) and, more generally, the repositioning of the FE and HE sectors (Mitchell 1998; Green and Lucas 1999; Scott 2000; Smithers and Robinson 2000). In Scotland, where a much higher proportion of higher education is offered in FE colleges and where national frameworks were established to support its development and delivery, there is a clearer picture and generally better understanding of this provision than that found in England.

The account here is largely historical and contextual, looking back over 15 or more years of cross-sector activity and using this analysis to comment on the contemporary character and future direction of higher education in further education in England. The new and uncertain context for this provision is the arrival of a Learning and Skills Council (LSC) with a remit excluding higher education but with responsibility for the strategic development, planning, funding, management and quality assurance of post-16 education and training.

The justification for a broadly historical approach is threefold:

- First, the territory of higher education in further education is a source of considerable complexity, limited information and some confusion. In neither of the recent major reports on further education (the Kennedy report) and higher education (the Dearing report) was this zone of activity investigated in depth or detail, even though the Dearing inquiry made important recommendations in this area which were accepted by the government and implemented by the relevant funding and quality bodies.

- Second, the present diversity of higher education in further education is, to a great extent, the result of historical and local circumstances, with a largely hidden history and an uneven distribution of provision across more than 300 colleges. Now, for the first time, there is an explicit policy to focus a substantial part of future HE expansion on FE colleges and to reform and regulate the higher level qualifications offered in these institutions. However, different agencies and separate sectors are involved in these initiatives, each with their own histories, processes and priorities.

- Third, and most powerfully, many of the definitions and distinctions which were applied to higher education in further education in the 1980s, and which worked against rational and coherent approaches in the 1990s, have been reproduced again in the boundaries to be drawn around the new LSC. The elevation of this provision, from a zone of minor ('low') to major ('high') policy, has confronted the policy community with some awkward and ambiguous legislative legacies.

Two major cautions need to be signalled at the outset. One has to do with the wide variation in the size and pattern of activity across the estimated 360 or so colleges currently teaching programmes of higher education or courses leading to higher level qualifications. Generalisation on the basis of this heterogeneity is difficult and unwise, especially where a small but significant group of larger providers (commonly described as 'mixed economy' colleges) have higher education as more than a third of their total provision and regard themselves as quite different from other FE colleges.

The other warning has to do with the coverage and quality of the statistical sources, published and unpublished, relating to this area of activity. While it is reasonably safe to suggest that around one in nine HE students are presently studying in FE institutions, the restricted range and doubtful quality of some of the data does not allow for a detailed analysis of trends and patterns. These problems are discussed in an appendix to this report. Elsewhere and whenever possible the source is given for any statistical information presented in the text.

The present study is a synoptic account, drawing on a wide range of secondary sources, supplemented by interviews and correspondence with officers in sector organisations. The report is organised in four main sections, beginning with an outline of arrangements during a period of low policy and market-led expansion, followed by an analysis of the turnabout and then transition to an era of high policy and state-sponsored collaboration, and concluding with a series of reflections on the policy agendas and strategic uncertainties which surround higher education in the LSC sector.

# Low policy 1987–1997

Although part of a long tradition of locally provided higher education, with some present-day colleges initially accepting students as far back as the 1950s and 1960s (DES 1989; Association for Colleges 1995), much of this activity has been hidden from the recent history of higher education, being eclipsed by the rise of the polytechnics and other large HE providers as national institutions during the 1980s. Alongside this upward drift in the balance of higher education, the provision of 'sub-degree' education in the colleges has been differentiated in ways that have obscured and confused its identity on the one side and increased its complexity on the other. One source of this confusion has been legislative and terminological.

## Advanced and non-advanced further education

Prior to the Education Reform Act of 1988, HE provision offered by FE colleges was the responsibility of the local education authorities (LEAs) who owned, controlled and funded the colleges and the polytechnics for both 'advanced' and 'non-advanced' further education. Advanced further education (AFE) included degrees validated by the Council for National Academic Awards (CNAA), higher national diplomas validated by the Business and Technology Education Council (BTEC), and a variety of awards validated by professional bodies in areas such as engineering and accountancy. Non-advanced further education (NAFE) included technician and craft qualifications, the general certificate of education advanced level (GCE A-level) and national diplomas validated by BTEC.

Many of the LEAs saw advanced and non-advanced further education as a 'seamless robe' of educational opportunities:

*The intention was that together the two elements of further education would meet the educational and training needs of students after the age of 16 from, for example, national diplomas and certificates through to degrees, at locally-controlled institutions within reasonable daily travelling distance from their homes.*

(FEFC 1996b: 1)

Advanced further education broadly equated with what was variously termed local authority, maintained or public sector higher education. In contrast, higher education in the 'autonomous' universities was planned, organised and funded separately from the local authority system, and their courses were mainly at first degree and postgraduate levels.

The funds distributed by the LEAs to support advanced further education were drawn from the Department of Education and Science (DES) and allocated by the Secretary of State through the machinery of the National Advisory Body for Public Sector Higher Education (NAB). Through its advice to the Secretary of State,

the NAB approved the courses and determined the resources for HE programmes in local authority colleges. The colleges and polytechnics had to gain administrative approval to run new courses before they could begin academic validation. Because of the length of time (and the uncertainties) involved in gaining course approval, patterns of local and regional provision 'sometimes lagged well behind the needs of students' (FEFC 1996b).

At this time, there were in England 405 institutions outside the universities which provided higher education: 29 polytechnics and 346 other colleges under local authority control, plus 30 voluntary and other colleges directly funded by the DES. By the middle of the 1980s, institutions on this side of the binary line provided for over half of the HE students in England. Numbers in the non-university sector had grown significantly since the beginning of the 1980s, as the polytechnics took advantage of the reduction of university places following the 1981 cuts and as a consequence of wider access policies urged on the NAB by the local authorities. Having achieved strong national roles and offering all major subjects except medicine, the polytechnics and the larger institutions engaged predominately in higher education were removed from local authority control and re-established as free-standing corporate bodies in a new polytechnics and colleges sector of higher education. The NAB, with its local authority majority, was abolished and a new planning and funding body was created for the sector – the Polytechnics and Colleges Funding Council (PCFC) – with a rough balance of members drawn from business and higher education.

The HE institutions in the new sector, along with some of the HE provision in colleges remaining under local authority control, now received their funding from the PCFC. Those colleges whose main concern was non-advanced further education remained under local government control. These changes were outlined in the 1987 White Paper *Higher education: meeting the challenge* (DES 1987) and introduced in the year following the passage of the 1988 Education Reform Act. In the university sector, the same legislation reconstituted the University Grants Committee as a Universities Funding Council (UFC) which, like the PCFC, would in future 'contract' with individual institutions for the provision of higher education.

## Prescribed, non-prescribed and franchised higher education

Under the terms of the 1988 Act and the administrative regulations issued in the following year, advanced further education was 'prescribed' in a schedule of courses which were to be funded nationally through the PCFC. These included higher degrees and first degrees, higher national diplomas, diplomas in higher education, diplomas in management studies and other advanced provision leading to qualification as, for example, a teacher. 'Non-prescribed' courses comprised all the provision previously classified as 'non-advanced' further education but, confusingly, also some which was advanced and omitted from the schedule in the 1988 Act, such as the part-time higher national certificate validated by BTEC.

Henceforth, higher education in the FE colleges was to be described by these two administrative terms.

**Prescribed courses of higher education**

This term described those courses included in the schedule to the 1988 Act and therefore able to attract grant from the PCFC, including:

- all postgraduate courses leading to a recognised academic award
- all first degree courses leading to a recognised academic award
- all full-time and sandwich courses for the diploma of higher education or the higher national diploma of BTEC
- all other full-time and sandwich courses of more than 1 year's duration providing education at a higher level which prepare for an examination for an award of the CNAA
- all full-time courses of at least 1 year's duration and all sandwich courses and part-time courses (including block release and day release courses) of at least 2 years' duration providing education at a higher level:
  - for the initial or further training of youth and community workers, or
  - for the further training of teachers.

**Non-prescribed courses of higher education**

This term described those courses offered at an HE level but omitted from the schedule to the 1988 Act, including:

- the part-time higher national certificate of BTEC
- the certificate in management studies
- 'a wide range of awards which are validated by professional bodies and are often sought by graduates in pursuit of advancement at work' (FEFC 1996b).

Notwithstanding this division there were some prescribed courses of higher education, such as the full-time higher national diploma, whose funding continued through the LEAs. These courses, together with the large number of advanced courses omitted from the schedule to the 1988 Act, were previously funded through the pooled arrangements operating between LEAs. Such provision, described at the time as 'residual' higher education, was now to be funded through the rate support grant whereby LEAs received credit for students in the assessment of their grant related expenditure. Furthermore, with the abolition of the NAB, the local authorities were no longer guided by a central planning agency.

The overall size of the LEA sector of higher education, although much reduced by these changes, was considerable. At least 92 LEA colleges had PCFC-funded courses and about 300 had some HE provision including higher national certificates and professional body courses (DES 1989). Following the 1988 reform, there were some 111,000 students on HE courses in the colleges in England, most (80%) studying part-time and the great majority (93%) enrolled on sub-degree courses (see Appendix). About 20% of the HE students in the LEA colleges were on courses funded by the PCFC and nearly all the remainder were provided with funds through the rate support grant.

Following the establishment of the new funding councils for each side of the binary line, the PCFC and the UFC, public funds for higher education were allocated on a more competitive basis. In line with its policy of using market mechanisms to expand student numbers as inexpensively as possible,

in 1989 the government raised the level of the tuition fees received by institutions and the Treasury agreed to pay this level of fee for as many additional fees-only students as institutions enrolled. At a time when their general income from the funding councils was being reduced, the enrolment of fees-only students was the only way that many establishments could maintain their total income. As a result, most institutions had an incentive to increase their recruitment from this category of student, occasioning a spectacular expansion of numbers in some institutions and, in the years prior to 'consolidation' in 1994, contributing to an annual growth rate of more than 10% across the system as a whole.

**Franchised courses of higher education**

Given the pace of this expansion, one of the ways in which establishments were able to take up 'capacity at the margin' was to arrange for some of their courses to be taught in FE colleges. Under 'franchise' arrangements, an HE institution funded one or more colleges to deliver some of their undergraduate courses, in whole or in part. Both full-time and part-time provision was franchised to colleges, including the 'foundation year' (sometimes referred to as 'year 0') of a degree or diploma programme. The foundation year functioned as a conversion or preparatory course but, unlike an Access course, was deemed to be an integral part of a named HE programme.

By 1993–1994, it was estimated that some 42,000 student places were franchised in this way, involving some 288 FE colleges (HEFCE 1995b). However, these figures probably included other types of collaborative arrangements, such as 'associate college' schemes (relating to a range of provision rather than specific franchised courses) and 'two-plus-two' schemes (relating to jointly planned degree programmes). Nonetheless, it was clear that both HE institutions and FE colleges were disposed to develop multiple franchise arrangements, and that it was the polytechnics rather than the universities which were most active in establishing such arrangements (with some individual polytechnics operating franchises with over 20 colleges of further education).

Buoyed by the success of its fees policy and impressed by the way the polytechnics and colleges were leading this growth, the White Paper *Higher education: a new framework* (DES 1991b) proposed the abolition of the binary line: 'an increasingly artificial and unhelpful' barrier preventing greater competition for funds and students. Accordingly, the Further and Higher Education Act of 1992 established a single funding structure and a common quality assurance framework for a unitary sector of higher education. In addition, degree-awarding powers were extended to the polytechnics and some other HE institutions, the polytechnics and other major HE establishments were allowed to adopt university titles, and these were included in the dual support system for research funding.

Under the same legislation, and with important implications for the conduct of higher education, the FE colleges were taken out of local authority control in England and transferred, along with all sixth form colleges, to a new, enlarged sector of further education funded and quality assured by a new body, the Further Education Funding Council (FEFC). The White Paper on education and training (DES, Department of Employment and Welsh Office 1991) which announced these changes expected FE institutions to emulate the success of the polytechnics and the other HE establishments which had 'made the most' of their independence from local government.

Interestingly, little mention was made in the White Paper of the role of FE colleges as providers of higher education, even though these institutions had made an important contribution to the record levels of participation achieved in higher education. Some specific attention was given to the small number of local authority colleges which provided a majority of higher education, but this was to decide to which sector they belonged, not to consider the purpose and place of higher education in the new college sector. Rather, it was only in relation to 'higher level vocational qualifications' that college provision above GCE A-level or its vocational equivalent was discussed and, even then, such qualifications were viewed as 'outside higher education'.

The allocation of resources in the new college sector, including those courses of higher education not within the funding power of the PCFC, was the responsibility of the FEFC. In this way, the FEFC inherited formal responsibility for non-prescribed higher education. It also undertook to fund a small number of prescribed courses of higher education which, for various reasons, had continued to be supported by the local authorities after 1989. At the same time, the administrative regulations included in the schedule to the 1992 Further and Higher Education Act were amended in Wales to recognise that 'all part-time courses (including block release and day release courses) of at least 2 years' duration' were prescribed courses of higher education. However, this amendment was not extended to England until 1998. Whatever the reason for the exclusion of England from the original amendment, including the possibility of an administrative oversight, the matter did little to disturb the division of funding responsibilities accepted by the FEFC and the Higher Education Funding Council for England (HEFCE), the successor body to the PCFC and the UFC.

On assuming their funding responsibilities in 1993, the HEFCE funded prescribed higher education at over 70 FE colleges and the FEFC funded non-prescribed higher education at over 400 colleges (FEFC 1996b). Both funding councils also had a statutory duty to make provision for assessing the quality of the education they supported. No such duty had been imposed on the PCFC or the UFC, although Her Majesty's Inspectorate (HMI) was responsible for monitoring academic standards in non-university institutions. In the FE colleges, on the other hand, the assessment of quality was routinely undertaken by HMI and LEA advisers. Under the new funding councils, courses of prescribed and franchised higher education were assessed through the Quality Assessment Division of the HEFCE and courses of non-prescribed higher education were assessed through the Inspectorate of the FEFC.

Soon after they came into existence, government policies directed at the HE and FE sectors took divergent paths. 'Consolidation' in the form of a capping of full-time undergraduate places was imposed on the HE sector, the result of faster than expected growth rates and spiralling costs. In the opposite direction, and foreshadowed in the White Paper on education and training, across-the-board expansion was enjoined on further education, with a new funding methodology designed to stimulate growth and a demand-led element of funding to reward colleges for the enrolment of additional students. Not for the first time, higher education in further education was subject to competing policies and conflicting messages.

## HEFCE and the impact of consolidation

The legacy of late binary policies of expansion, together with the abrupt shift to a policy of consolidation, were the context for the setting-up in 1994 of an internal study group at the HEFCE to consider the extent and nature of the 'interface' between higher and further education. Although the role of FE colleges as providers of qualifying routes into higher education was described and recognised, the particular focus of the study group was on colleges as providers of HE courses, whether offered in their own name or franchised by one or more establishments of higher education. Indeed, it was this dimension, and the issues and proposals signalled at this early stage, which were to be taken up by the Dearing inquiry into higher education and offered back to the funding councils as official government policy on how higher education in further education was to develop into the new century.

Led by the HEFCE, the study group included representatives from the Department for Education, the Department of Employment, the FEFC, the Higher Education Quality Council (HEQC), and former FE advisers within the HEFCE. According to the discussion paper (HEFCE 1995b) which emerged from this exercise, a 'complex and diverse framework of relationships' had developed between HE establishments and FE colleges, and between the funding councils and the institutions. Furthermore, a wide range of links, partnerships and collaborative arrangements had evolved in response to 'particular educational, market and resource needs'. These had resulted in 'a diverse and constantly changing set of relationships' such that arrangements for the funding of higher education and further education were 'increasingly difficult to relate to the rapidly changing academic boundary' between these two overlapping territories.

While the nature of higher education in FE colleges was 'multi-dimensional' and differed greatly between individual providers, a number of 'distinctive' features were held in common:

- **a tradition of closeness to the world of work** colleges accounted for a significant proportion of all sub-degree vocational higher education and most HE students were undertaking courses in the areas of business and management, engineering and technology, and art and design
- **a local and access orientation** the number and location of colleges made them well placed to serve 'geographically dispersed and educationally marginalised populations' and they played an important role in widening access to higher education, especially for part-time and mature students and those from 'non-traditional groups'
- **a basis for progression** colleges allowed a smooth transition from further education to higher level work where 'a degree of continuity is maintained for the student in terms of location, ethos and approach to teaching and learning'
- **a place for specialism** in a number of cases colleges provided sometimes unique and specialist HE provision, often in relation to particular local and employer needs.

If these were the distinctive characteristics of higher education in further education which had accompanied the passage from elite to mass higher education, the context for their development in the short and medium term was one of constraint and of opportunity. For the HEFCE, there were two sets of conditions which shaped the future funding policy context of higher education.

The first was an acute and immediate pressure on finances which required the funding council to cap the number of full-time undergraduate places from 1994–1995, including those it funded at first degree and sub-degree levels in colleges of further education. The second, based on a reading of current trends in the evolution of higher education, was an expectation that the system would increasingly be characterised by:

- **a vocational emphasis** the importance of relating provision to the needs of employers and the workforce in the interests of economic competitiveness
- **flexibility and student choice** the demand for new and more flexible patterns of delivery to meet the changing needs of a more diverse student population
- **lifelong learning** the pursuit of higher learning in a variety of modes, in a range of styles and at variable speeds to support participation across the life span
- **a regional and local emphasis** the growth of local and regional markets for higher education as a consequence of changes in student support, the increasing numbers of part-time, mature and lifelong learners, and the regional dimension in economic policy.

Given the congruence between the distinctive features of higher education in further education and the contemporary trends in the development of higher education, there were therefore strong grounds to suggest that the colleges were well placed to respond to future demands. This was particularly the case if policy and funding pressures were to lead to an increasing need for shorter courses, and especially if higher education in further education was cheaper to provide. Running counter to these trends, however, were funding and quality arrangements for higher education in further education which were increasingly diverse, complex and anomalous. From the perspective of those in colleges, the original rationale for the distinction between prescribed (national) and non-prescribed (local) higher education no longer held: in academic terms, it was argued, there was little difference between the two sets of provision and, anyway, colleges were now funded nationally for their non-prescribed higher education by the FEFC.

To consider these questions, and the responses made to its discussion paper, the HEFCE established a working group which, in a further consultation report (HEFCE 1996a), recommended that future funding of higher education in colleges should be based on collaborative arrangements with HE institutions. In the short term, it would be necessary to continue with the 'essentially market-led' approach to funding higher education in colleges. However, this was likely to extend further 'a disparate and uncoordinated' HE system and so 'hinder the rational and systematic development of HE provision in response to local and regional needs'. A structure based on 'complementarity and configuration' with one or more HE establishments would require greater planning, but this would take place principally at the institutional and local level, rather than being centrally determined. Nevertheless, the funding council would need to be 'more active in steering the approach', especially if undue mission drift was to be avoided.

Collaborative or consortia arrangements were also seen as a means by which colleges directly funded by the HEFCE could be included in some of the non-formula funding programmes or marginal funding initiatives specifically targeted at HE establishments to influence behaviour or improve areas of provision.

Action on this had already been made prior to the publication of the consultation report when, at the end of 1995, the HEFCE agreed that in future directly funded FE colleges 'should not automatically be excluded' from special initiatives, their participation would be considered case by case and normally conditional on collaborative proposals with HE establishments.

In the same month as the publication of the consultation report, the government announced the establishment of a national committee of inquiry into the future of higher education (the Dearing committee) and the HEFCE drew on this work in its submission of written evidence to the inquiry (HEFCE 1996b). In arguing that greater differentiation in the HE system would be required in the future, the HEFCE envisaged an increasingly important role for FE colleges in providing short-cycle sub-degree courses as well as in collaborating with other providers (and employers) to enhance the local and regional role of higher education.

*As HE develops in an increasingly modular way, with shorter cycles and more breakpoints between them, FE colleges might have an increasingly important role in providing the first cycle of HE, particularly in areas relatively remote from HE institutions. This would be a development of an existing role: nearly two-thirds of sub-degree courses are provided by FE colleges, following which many students go on to complete a degree in an HE institution. Other institutions might undertake similarly distinct roles, in collaboration with neighbouring universities or colleges. Institutions might also be encouraged to specialise in subjects in which they have particular strengths, relying on collaboration with others to fill gaps in their coverage.*

*This suggests further changes in the relationship between further and higher education, an area which is presently very fluid. It also reinforces the need to establish, within a credit framework or otherwise, clear distinctions between levels of study. FE colleges will continue to focus on providing further education and training up to HE level; similarly HE institutions will provide most of what is beyond this level. However, the boundary between the two sectors will not be clear cut, and FE colleges will continue to develop their role as important providers of HE which is distinct in character and level. To avoid duplication and mission drift, and also to optimise regional coverage, the HEFCE believes that there would be merit in requiring the further development of HE in FE to take place in a structured way, based on co-operation between providers of HE in the area concerned.*

(HEFCE 1996b: 19–20)

If changes in the shape and structure of higher education were to be brought about in the future, and if greater differentiation in the roles of FE colleges, HE colleges and universities was thought desirable, then 'a greater degree of central intervention may be required to achieve this'.

## FEFC and the imperative of expansion

In contrast to the policy discussion and consultation launched by the funding body for higher education, the FEFC issued little in the way of policy advice or guidance on the higher level provision it funded, or about the other HE programmes taught in the institutions for which it had responsibility. The one exception to this was the publication by the FEFC Inspectorate of a national survey report *Vocational higher education in the further education sector* where this provision was described as 'an integral part of the provision offered in many further education colleges' and where its widespread availability and flexibility 'are essential features of the drive to achieve national targets for lifelong learning' (FEFC 1996b).

The 90,000 HE students supported by the FEFC in 1994–1995 represented 4% of all provision funded by the council. It was therefore only a small fraction of the activity in the sector, and explained to some degree the low profile accorded to this provision in FEFC policy statements and circulars. Nevertheless, these numbers were comparable with the estimated 100,000 HE students in FE colleges funded directly by the HEFCE, indirectly through franchising agreements with HE institutions, or by bodies such as companies. Taken together, HE students made up more than 5% of the 3.2m students in the FE sector in 1994–1995 (FEFC 1996b).

According to the national survey report, higher education in the FE sector had grown at around 6% a year, in parallel with further education. The 1991 White Papers on higher education and post-16 education expected the numbers and proportions of students in each sector, adults as well as young people, to continue to grow. However, this policy of dual expansion was short-lived. At the same time that ambitious growth targets were being set for the new college sector, the HEFCE was required to freeze the numbers of full-time undergraduate places it funded.

The policy of consolidation in higher education applied to prescribed courses of higher education previously funded by the PCFC and transferred to the HEFCE as well as to a smaller number of prescribed programmes formerly funded by LEAs and transferred to the FEFC. Funding of this latter provision was 'frozen' at the level inherited by the FEFC in 1993. Student numbers in respect of this provision were included in the allocations to colleges for 1993–1994 but were not allowed by the FEFC to be counted towards the achievement of institutional funding agreements for that year and thereafter. This decision, taken 'after considering the views of the colleges concerned', meant that FEFC funding for prescribed provision remained in the budget of each college and the student numbers, separately identified, included in the funding agreement for each college. The colleges concerned were not able to increase the numbers of such students 'although they may, if they wish, reduce them' (FEFC 1994).

Only in part-time higher education was a measure of growth permitted but, under both the HEFCE and the FEFC, this was to prove small and ephemeral. In its annual grant letters to the HEFCE, the government looked to the council to stimulate part-time study, to discourage the lengthening of first degree courses (as had happened earlier with the addition of 'foundation years') and, instead, to encourage 2-year full-time vocational diplomas. While part-time undergraduate students paid tuition fees and received no financial support, the state still met the majority of the teaching costs. In the event, given pressure to secure continuing reductions in public funding per student, no funds were provided by the HEFCE for growth in part-time provision after 1996.

Neither in the letter of guidance from the Secretary of State establishing the FEFC nor in subsequent grant letters did the government express a view about the scale and scope of the non-prescribed courses of higher education, nearly all part-time, which the council funded. Increased collaboration between FE colleges and HE institutions, such as through franchising agreements and 'programmes of joint courses', was welcomed, although the council was expected 'to ensure that any franchised or other higher education is not provided at the expense of adequate provision' (Secretary of State for Education 1992).

Whatever the parsimony or ambiguity of references to the role of FEFC-funded higher education, what was not in doubt was the imperative to expand participation across the FE sector. In recognition of 'a new special emphasis' given to further education, the Secretary of State set ambitious growth targets for student numbers, expecting the sector to grow by some 25% in the first 3 years of FEFC funding and providing additional resources for this to happen (FEFC 1992). Like the other courses which had switched from local authority to national funding arrangements, non-prescribed programmes of higher education were included among the areas which might be rewarded for expanding their student enrolments. Alongside the incentives offered for 'efficient growth' within the recurrent funding methodology, one of the features of the new system of public funding was a 'demand-led element' (DLE) which paid colleges a standard sum for each additional student recruited above the annual target agreed with the FEFC. Initially, the DLE was for full-time students only in 1993–1994, but this was extended to part-time students in 1994–1995.

First, through their recognition as courses for recurrent funding and, second, following the decision to include part-time students in the DLE, courses of non-prescribed higher education were in a position to benefit from the growth policy aimed at the sector as a whole. However, in its guidance to colleges on how to apply for funding for 1996–1997, the FEFC stated – without explanation or elaboration – that it did not expect to see a significant growth in the amount of non-prescribed higher education it funded (FEFC 1995). This relative instability in the funding situation of further education had been remarked upon in the HEFCE consultation document where the FEFC policy of converging the wide differences in costs to a sector average was another funding factor impacting on colleges in different ways:

*In some cases it may encourage diversification into HE and in others withdrawal from HE if the costs of providing HE leads to an increase in the FEFC's average level of funding. Furthermore, there may be changes in the shape and structure of the FE sector as rationalisation and merger between colleges takes place.*

(HEFCE 1996b: 7)

However, it was during this period that government finances came under increasing pressure and the expected annual increases to fund its expansion objective in further education were gradually eroded. The funding squeeze came to a head in 1997 when the DLE was summarily withdrawn and, as a consequence, a major cut was imposed on the sector. This removed the primary incentive for colleges to expand their numbers but, at least formally, this growth policy had not been extended to non-prescribed higher education. In effect, the FEFC had adopted a policy of 'no-policy' in respect of the higher education it funded, regarding its inheritance of these courses as very much an anomalous and residual responsibility, and joining with the HEFCE in early discussions about the future funding of this provision.

When eventually induced to declare and elaborate its public position on the role of higher education in the college sector, the trigger for this statement was not its own review of strategy and funding, such as that being undertaken by its committee on widening participation (the Kennedy committee), but the call for evidence from the Dearing inquiry into higher education. Furthermore, not only was the call for evidence the stimulus for a statistical analysis of the profile of higher education in FE colleges (see Appendix), but the publication by the FEFC Inspectorate of its national survey report on vocational higher education (FEFC 1996b) was timed to coincide with the FEFC response to the Dearing inquiry.

In contrast to the short and stand-alone statements which had characterised previous communications, the submission from the FEFC (1996a) included a set of four principles which underpinned 10 'key points'. The four principles stated that:

- potential HE students should have the choice of a 'diverse range of provision, flexibly and locally delivered'
- the delivery of higher education should be constrained 'only by consideration of quality and fitness for purpose'
- information should be available to 'support student choice'
- 'joint provision between institutions should be enabled'.

Prompted by the questions posed in the call for evidence, the 10 key points addressed a broad range of issues, some concerning delivery and definitional matters, and others concerned with the opportunities available to students.

1. Higher education should be widely recognised as a 'spectrum of qualification aims' and there should not be a demarcation of provision by type of institution or by sector'.
2. The contribution of FE colleges to the expansion and diversity of higher education, through a range of 2-year qualifications embodying progression or providing end-points, should be 'recognised and built upon'.
3. Instead of describing individuals as 'further education' or 'higher education' students, it should be recognised that they have the opportunity to study a wide range of qualifications throughout their lives and 'many will study for further and higher education qualifications simultaneously' (one in eight of HE students in colleges were currently pursuing at least one FE qualification).
4. For the majority of adult learners, higher education will be required to be delivered on a local basis and the concept of 'adequacy and sufficiency' – a feature of further education and a statutory duty on the FEFC – should therefore be extended to embrace higher education.
5. A national system of credit accumulation and transfer should be developed to allow student progression and access to a choice of high-quality higher education.
6. The current levels of provision may need to be redefined to reflect the broad spectrum of HE qualification aims, with 'secondary education' describing all education up to the school-leaving age, 'tertiary education' describing 'post-statutory studies up to advanced level 3', and 'higher education' differentiated between 'advanced further education' (Level 4 and 5 externally validated qualifications 'beyond further education but mainly up to degree-level education'), 'degree-level education' and 'postgraduate education'.
7. The regulations describing prescribed courses of higher education should be revised to 'reflect the development of higher-level qualifications, in particular national vocational qualifications'.
8. If all externally validated higher education up to degree level was to be brought under the auspices of the Qualifications and Curriculum Authority (QCA) set up by the government in 1997, then it was appropriate that all of this provision should be subject to 'a single inspection framework'.

**9** As the definitions of 'full-time' and 'part-time' higher education and 'further education' and 'higher education' become less easy to define, it was necessary for consideration to be given to the issue of mandatory support 'for students in addition to those following full-time higher education courses'.

**10** Given that it was acknowledged that HE provision in FE colleges was 'generally less expensive' to provide than similar provision in HE institutions and that further expansion of higher education could therefore prove to be 'more cost effective' in FE colleges, it was necessary that detailed costings be produced 'to clarify how significant the funding differential is and to examine reasons for this'.

Most of these themes were to be addressed in the course of the Dearing inquiry and some points, notably those relating to access, progression and expansion, were to acquire a purchase and profile beyond that bestowed in the submission of evidence.

In the light of subsequent inquiry proposals to renew growth in higher education and to give FE colleges a leading role in future expansion at the sub-degree levels, the last of these 10 points – the conjectured cost-effectiveness of college-based provision – was of some significance. On the basis of its reading of labour market evidence and official projections of future workforce requirements, and without recommending whether expansion of 2-year provision should come from expanding total HE student numbers or transferring existing student numbers from 3-year to 2-year programmes, the FEFC submission took the view that:

*The main features of the future shape of higher education are likely to resemble the current pattern of such provision in further education colleges. The Council considers that much of the future expansion of sub-degree higher education will, of necessity, take place in further education colleges.*

(FEFC 1996a: 8)

## HEQC and the rise of standards

The crisis of funding in higher education which brought an end to expansion and which precipitated the Dearing inquiry was accompanied by a concern in some quarters about the quality of the education able to be offered to a larger and more diverse student population at a declining unit of resource. Worries about standards, in particular whether degree standards were slipping, were first voiced publicly by the government in 1994. Following visits to Malaysia and Singapore where the Secretary of State was asked whether quality had been maintained in the recent rapid growth of student numbers, the HE community was invited to give greater attention to 'broad comparability' in the standards of degrees offered by different institutions. Although the universities and other HE establishments were the focus of this challenge, and although the main emphasis was on the standards of the first degree, the colleges were to find themselves under increasing scrutiny, initially in respect of their collaborative provision and then in relation to both their directly funded HE courses and their franchised programmes.

In the years up to the Further and Higher Education Act of 1992, higher education provided by the LEA colleges, whether funded by the PCFC or the local authorities, was inspected by HMI and commonly reported through inspection surveys which were published after visits to a number of institutions. As in the HMI report

*Aspects of higher education in colleges maintained by local education authorities* (DES 1989), these sought to draw together evidence from a range of inspections in order to produce broad conclusions about the standards of learning in a given area of provision. Apart from periodic inspection by HMI, colleges providing sub-degree HE courses also had to meet the external requirements of validating bodies, usually the (then) BTEC, and certain professional bodies.

In the 1989 HMI survey report, based on inspections conducted ahead of the major expansion at the end of the 1980s, the higher education in LEA colleges was described as 'substantial and diverse', including courses which met a specific (often local) industrial need, courses in unusual subject areas, and courses for which there was high demand. Not only did college-based courses increase the variety and geographical spread of higher education in England, they played an important part in 'widening opportunities for students'.

Such provision usually represented a small proportion of the work of LEA colleges and, while resources (including accommodation) were adequate, library resources were described as generally poor, as were the residential, recreational and social facilities. The quality of teaching and learning was judged to be sound and students benefited from their courses, with full-time students often progressing to relevant employment or further study, and with part-time students improving their performance and achieving promotion at work. Teachers were, in general, adequately qualified although many were less qualified academically than those teaching similar courses in the polytechnics. Quality control procedures, on the other hand, were 'poorly developed and applied' in many colleges. At the time of the survey, the recruitment of students to the courses inspected, especially to full-time courses, was seen to be 'declining'.

Many of these conclusions were relevant to collaborative courses as well. Another HMI survey report (DES 1991a), based on visits made to polytechnics and their partner FE colleges, was devoted to franchising and other forms of collaboration between institutions in the HE and FE sectors. The potential benefits for students from these collaborative arrangements were seen to include:

- the local availability of courses for those unable to travel to more distant HE institutions
- the provision of courses in a mode of attendance appropriate to those in employment or with other commitments
- ease of progression from a course in the FE college
- ease of progression to subsequent stages of the HE course
- the provision of new courses
- increased opportunity to enrol on HE courses for which there was high student demand.

The benefits perceived by FE colleges were those which included:

- increased access to higher education for local communities
- the broadening of the college provision to include higher status courses
- a possible safeguard against declining numbers of 16 year olds
- increased motivation for staff
- spin-off benefits for FE courses in the college, such as improved resources, more effective quality assurance and better motivated teachers.

The benefits for the polytechnics were held to include:

- the extension of their regional role and influence as a result of improved liaison with FE colleges
- the establishment of courses which required the expertise and facilities of the FE colleges
- a means of achieving institutional aims to widen access
- the safeguarding of student numbers in the later years of courses
- in some cases, the alleviation of accommodation problems.

The need to relieve the capacity problems faced by some of the fastest-growing HE institutions was to assume more importance in subsequent years and at this point collaborative arrangements had yet to reach the scale and density of that achieved just prior to consolidation. Indeed, the survey report reminded its audience that polytechnics and FE colleges had run courses collaboratively for many years: examples included engineering courses where the FE college ran the first year of a 2-year higher national diploma course and the polytechnic the second year, the certificate in education (further education) which was provided by a regional consortia comprising an HE institution and a network of local centres, and the diploma in management studies. Nevertheless, the number and type of courses had increased rapidly in recent years and the arrangements had become more varied. In some cases, the FE college only provided part of a course and, in others, the whole course; and universities as well as polytechnics were often partners in schemes where colleges operated franchise arrangements with more than one HE establishment.

Based on a survey of several types of arrangement, some longstanding and some recently established, the inspection report noted how such courses had widened the range of HE provision and increased access to it: 'a wide variety of students attend these courses, many of whom would not otherwise have had access to higher education'. In the majority of cases the quality of the student experience in the classroom was judged to be 'good' and students benefited from the relatively small numbers in many classes. Indeed, colleges allocated their better quality accommodation to these courses and it was 'rarely less than satisfactory'. However, equipment provision was variable and computer facilities were often more limited in colleges than in the polytechnics. Libraries were 'generally inadequate' and, as reported in the earlier survey, the residential, recreational and social facilities were much more limited than normally found in higher education. Overall:

*the quality of much of the teaching and learning is comparable with similar work found in the polytechnics*

and

*the standards achieved by students who complete the courses are appropriate although non-completion is high in some part-time degree courses.*

(DES 1991a: 2)

Where some less satisfactory work was found this was mainly in colleges with little experience of higher education. Similarly, some teachers with no previous experience of HE teaching had difficulty in adjusting to the appropriate level.

Financial arrangements between the collaborating institutions were described as 'varied' but had not provided a barrier to the development of these courses. On the other hand, implementation of systems both for validation and for monitoring and review of franchised courses was 'erratic' and not always effective, although in the best cases it was thorough and rigorous. Liaison between institutions and the operation of quality assurance procedures were rigorous in a few cases but were 'generally in need of improvement'.

If the quality of the student experience and standards achieved in collaborative courses generally were to match those of other HE courses, the survey report concluded, the partner institutions would need to give attention to:

- establishing relevant staff development programmes for teachers in the FE colleges
- ensuring effective implementation of quality control systems across the collaborating institutions
- providing adequate documentation for teachers and for students
- improving the quality of libraries and other learning support in the FE colleges
- improving liaison between institutions at both institutional and course level, including the operation of course teams
- defining clearly management responsibility for the conduct and quality of the courses.

The opportunity for HMI to monitor these features, as well as continue to have its judgements inform the allocation of places to institutions, was brought to an end by the 1992 Act which established new external quality assurance arrangements for the newly unified sector of higher education and a new system of inspection for newly incorporated colleges in the FE sector.

Under the new legislation, which abolished the CNAA and removed the HMI, responsibility for the funding and quality assessment of prescribed higher education transferred to the HEFCE and responsibility for the funding and quality assessment of non-prescribed higher education passed to the FEFC. Whereas previously higher education in the colleges was funded through the PCFC and the local authorities but subject to a common framework of HMI inspection, the new arrangements created a dual set of requirements for both funding and external quality assurance. While primary responsibility for quality control rested with the colleges, along with a responsibility for complying with the standards of validating, examining and accrediting bodies, external quality assurance was operated through the quality assessment committee established by each new funding council.

Courses of prescribed higher education funded by the HEFCE were required, as a condition of public funding, to submit to quality assessment by the funding council. This was conducted on a subject-by-subject basis, with assessors appointed to visit and report on the quality of education. Initially, this involved only a sample of visits to subject providers and led to one of three judgements: excellent, satisfactory, unsatisfactory. This was subsequently changed to full visiting and a graded numerical scale for each aspect of quality assessed (one to four, where one meant 'not approved'). This method was inherited by the Quality Assurance Agency for Higher Education (QAA) when it took over the quality assessment function from the HEFCE in 1997 and was scheduled to be replaced by 'academic review' from 2002.

In a parallel fashion, courses of non-prescribed higher education, along with other provision funded by the FEFC, were subject to quality assessment by the funding council for the college sector. This involved visits to colleges to inspect both selected curriculum areas and cross-college areas, with numerical grades for each aspect of the provision inspected (one to five, where five described 'poor' provision). This method continued in operation until the creation of the Learning and Skills Council and the introduction in 2001 of a single system of inspection for all post-16 learning, excluding higher education.

Behind these variations in procedure and grading were fundamental differences in purpose and scope (Underwood and Connell 2000). Where the FEFC sought to compare the performance of colleges with that of others offering similar provision (an assessment of the fitness 'of' the provision concerned), the HEFCE and then the QAA expected providers to determine their own objectives and be assessed in terms of the fitness 'for' the purpose declared by the provider.

Although both systems were introduced at the same time, the impact on colleges of the subject review process operated by the HEFCE was initially quite limited since many of the subjects assessed early in the cycle were not among those traditionally represented in these institutions. By the middle of 1998, according to Underwood and Connell, only around 50 visits had been made to FE institutions, nearly all involving the large 'mixed economy' colleges. Inspection by the FEFC of HE courses was numerically greater, reflecting the larger proportion of college-based HE provision funded by the FEFC rather than by the HEFCE, and reflecting the broader curriculum reach of FEFC inspection which resulted in the observation of a relatively large number of HE teaching sessions in the years following incorporation.

In its survey report on the results of these inspections (FEFC 1996b), the FEFC Inspectorate described the quality of teaching and learning on HE programmes as 'good'. The profile of inspection grades awarded to HE teaching sessions was generally similar to that for further education, except in engineering where the grades were 'appreciably lower'. Student retention rates and examination pass rates were equally 'good', with the professional experience of students, their access to technical facilities at work, and the support with learning materials provided by professional awarding bodies leading, in the better classes, to 'lively and relevant' education. Standards were more evidently secure in the larger centres, where the inspection grades achieved for quality assurance were 'significantly better than elsewhere'.

*The continuing quality of courses is guaranteed increasingly by formal quality assurance procedures. The effectiveness of these procedures is growing in the further education sector and there is evidence that colleges with significant amounts of higher education provision have more advanced arrangements than those in which work is centred more on further education.*

(FEFC 1996b: 9)

Indeed:

*It is likely that this marked superiority in quality assurance arrangements is the result of close contact at the curriculum level with external validating bodies which set out detailed procedures for quality assurance, and with higher education institutions, many of which were themselves once subject to external validation.*

(ibid)

On the other hand, the wide variety of courses, levels and validating bodies was considered to be a source of difficulty for colleges. Over the years, there had been numerous attempts to rationalise the procedures for quality assurance by the National Council for Vocational Qualifications (NCVQ), by the professional bodies, and by colleges when they introduced modularisation, yet competition among awarding bodies remained strong in some professional disciplines, with each body seeking to maintain its own market niche and route for occupational progression.

Although a number of FE establishments had procedures which were sufficiently robust to gain them recognition as accredited centres by BTEC, or by HE institutions with which they had a formal relationship, most colleges still offered the awards of several different professional bodies.

*The differences in assessment procedures between the various validating bodies and the complexity of some of the procedures tend to obscure responsibility for standards.*

(ibid: Summary)

While standards were able to be compared for similar provision within the college sector, the survey report confirmed that the FEFC Inspectorate was 'not in a position' to make equivalent comparisons between the FE and HE sectors. However, a survey by BTEC of higher national certificates in engineering and art and design (reported in the FEFC overview) found that there was no discernible difference between the quality profiles found in the two sectors.

If cross-sector comparative judgements were inhibited or denied by the dual arrangements for external quality assurance, the growth of collaborative and franchised provision challenged HE institutions to satisfy themselves and others about the quality and standards of the programmes they offered in association with external organisations, especially the colleges of further education. Alongside the duty on the funding councils to assess the quality of education provided by institutions, the 1992 Act also required that the HE establishments exercise collective responsibility for the monitoring and improvement of academic quality. Such a role had been played previously by the CNAA in relation to most polytechnics and HE colleges, and was being developed in the university sector by the academic audit unit created by the Committee of Vice-Chancellors and Principals (CVCP) in 1990. To provide for this function in a unitary system the remains of the CNAA and the CVCP unit were amalgamated to form the Higher Education Quality Council (HEQC). Owned by and answerable to the HE institutions, the HEQC was established, first, to undertake regular audits of the quality systems and processes operated by these institutions and, second, to support the enhancement of quality within and across these establishments.

Academic audit by the HEQC covered all the provision for which HE institutions were responsible, however and wherever it was delivered. Separate academic audits for collaborative provision were first undertaken in 1992 and the results of these exercises were published as separate reports. At the same time, under the auspices of its quality enhancement division, the HEQC undertook a small-scale study of the collaborative links between higher and further education in England (HEQC 1993). Set up to consider the implications for cross-sector partnerships of the new legislation, but also in response to unease about the rapid development of multiple franchising, the study reported on some of the factors which appeared to affect the quality and success of collaborative ventures. In reviewing the limited available evidence, and drawing on its own visits to a number of partner institutions, the study concluded that:

*FHE partnerships had secured some remarkable successes and that, despite some anxieties, the student experience had not on the whole been compromised.*

(HEQC 1993: 8)

Two years on, with the findings of 14 collaborative audits available for analysis and with bodies like the Universities and Colleges Admissions Service (UCAS) sponsoring work on the nature of the HE student experience in the colleges (Allen 1995), the HEQC urged awarding institutions to 'pay further attention' to the implementation and operation of their quality systems so that 'the comparability of standards of its awards' can be demonstrated and assured.

*The study concludes that whilst there are examples of good practice, some universities have yet to fully come to terms with the quality assurance demands of their collaborative activity. This is seen most clearly in the whole area of monitoring and review but it also applies, to a lesser extent, at other stages as well. Unless institutions are able to bring at least the same degree of consistency and rigour to the quality assurance of their collaborative provision as they apply to the 'internal' provision for which they are wholly responsible, there must be a risk that collaboration in all its forms will come to be seen as 'second best'. Since collaboration is a means of responding more suitably and flexibly to external demands on the system, this would be a considerable setback not only for the students and employers concerned, but also for British higher education as a whole.*

(HEQC 1995: 2)

This emphasis on consistency and comparability, between and within partner institutions as well as across different HE establishments, reflected in part the new and sharper focus on academic standards which followed the concerns raised by the government in 1994. Set the task of showing how broad comparability of standards could best be achieved in a diverse system, the CVCP undertook to develop definitions of threshold (minimum acceptable) standards and the HEQC embarked upon what later became known as the Graduate Standards Programme, a coordinated programme of development and applied research into academic standards in higher education (HEQC 1997). The work of the Graduate Standards Programme was to be an important influence on the Dearing inquiry into higher education even though, shortly before the committee finalised its report, the quality functions performed by the HEQC and the HEFCE were brought together in a new organisation – the Quality Assurance Agency for Higher Education – with a brief to introduce an integrated quality assurance service for higher education in the UK.

Following sustained lobbying by the CVCP and others about the burdens, duplication and intrusiveness represented by the various external quality assurance processes, the Secretary of State invited the Chief Executive of the HEFCE to review the arrangements stemming from the 1991 White Paper on higher education. These included not only the quality assessment and quality audit processes, but also the accreditation activities of professional and statutory bodies in a number of professional and vocational areas. The primary point of reference for the review, and the subsequent setting-up by the CVCP and the HEFCE of a Joint Planning Group to produce proposals for new arrangements, was the HE sector and its constituent institutions. Although issues of overlap and overload were equally significant for HE providers in the FE sector, both the reports of the review (HEFCE 1995a) and the Joint Planning Group (CVCP 1996) were concerned mainly with quality arrangements relating to the institutions of higher education.

Given that the cycle of quality assessments had yet to engage fully with the HE subjects traditionally well-established in FE institutions, and given that the HEQC was still in the process of developing its approach to the audit of collaborative provision, it was under the QAA that the majority of college providers, not just the 'mixed economy' group, were to feel the full impact of the quality regime in higher education and the unfolding standards agenda. The merging of the NCVQ and the Schools Curriculum and Assessment Authority to form the Qualifications and Curriculum Authority in 1997, together with the powers given to this body to approve higher level vocational qualifications below degree level where they were not awarded by HE institutions, were another set of regulatory measures designed to ensure quality, rigour and consistent standards in the qualifications offered by college providers. However, these were to acquire a second-order significance compared with the special mission and extended role proposed for colleges in the report of the Dearing inquiry.

# Dearing and a special mission for the colleges

A deepening crisis of funding in the FE and HE sectors was the backdrop for a fundamental review of policy and funding, although it was only in higher education that an independent national committee of inquiry (the Dearing committee 1996–1997) was the chosen instrument for this purpose. In further education, it was an internal committee established by the FEFC to advise on the strategies needed to widen participation (the Kennedy committee 1994–1997) which, following the setting-up of the Dearing inquiry and during the run-up to the 1997 general election, became the principal vehicle for examining and profiling the future role of the college sector (FEFC 1997b). It was out of this process and through the agency of a new Labour government that higher education in the colleges was to acquire the status of 'high' policy.

Contemporary policy for higher education in FE colleges has its origins in the recommendations of the Dearing inquiry into higher education (NCIHE 1997). That some of these recommendations were built on preliminary work begun by the HEFCE was acknowledged only indirectly in the inquiry report and that some were founded on a slim base of research and evidence was not something which invited consideration or comment in its published volumes.

The Dearing report made specific recommendations addressed directly or centrally to the provision of higher education in FE colleges: on future growth, on funding, on quality assurance and on collaboration.

## Lifting the cap on sub-degree places

In the first of 93 recommendations, the Dearing report looked to a return to significant expansion in higher education over the next 20 years. Endorsing the principle set down in its terms of reference of maximising participation in initial higher education and lifetime learning, the inquiry called for an immediate lifting of the cap on full-time sub-degree places to be followed by that on full-time first degree places 'over the next two to three years'. As in the years prior to consolidation, the committee saw future participation being determined primarily by student demand, but with employer requirements accorded a central importance and with the state intervening if need be 'to ensure that levels of participation match those of our major competitor nations'. In contrast with the pattern of previous demand, at least as represented in England, the inquiry expected 'a major part' of future growth to be expressed at the sub-degree levels, 'through qualifications like the Higher National Certificate and Higher National Diploma'.

In order to fund this growth, and consistent with the economic benefits which graduates enjoyed over those entering the labour market with lower level qualifications, the inquiry report proposed a private contribution to the costs of full-time undergraduate education equivalent to around 25% of the average cost of tuition and payable by graduates in work through an income contingent mechanism. In recommending this proportion, the inquiry was 'attracted by the approach adopted in the further education sector in England' in which students over 18 years of age were assumed to pay a fee equivalent to 25% of the average level of funding across all subjects. By opting for a standard contribution, regardless of subject, the committee wished to avoid the risk that students, particularly those from poorer families, would choose cheaper subjects or that recruitment to shortage subjects in science and engineering would be weakened any further. It was also agreed that the contribution should be the same for all years of study, rather than lower in the first year or two to encourage access to higher education and the take-up of programmes at sub-degree levels.

Both the emphasis given to sub-degree education and the decision to adopt a flat-rate contribution across all subjects and years of study were of particular significance for higher education in the colleges. Not only were FE colleges enrolling over a third of HE students studying at the sub-degree levels in England, but nearly all of the HE provision in colleges (excluding franchised provision) was offered at these levels. According to the FEFC (1996a), over half (52%) of the HE qualifications studied in FE colleges were higher national certificates or diplomas, with science and engineering accounting for a quarter of all HE students enrolled in the FE sector. Given that growth in sub-degree numbers had been much slower than that achieved in first degree and postgraduate education during the peak years of expansion, the preference for a standard contribution by years of study was likely to provide a stern test of projections of future demand for sub-degree qualifications, at least for those based on existing forms of provision.

Within the Dearing report, this was but one among a number of missing or under-developed arguments for expansion at levels of higher education below the first degree. While the upward shift in the balance of higher education was noted, the inquiry report provided little evidence and analysis about the nature of past and current sub-degree provision or about the pattern of previous and present demand for the variety of qualifications represented at these levels. No dedicated labour market analysis was commissioned to explore these questions and, where rates of return were examined and where funding options were compared, the primary reference was to the first degree and to full-time study. Nevertheless, an assorted collection of rationales for resumed growth at the sub-degree levels was mentioned in support of this proposed policy:

*At least initially, we see a large part of the growth taking place at sub-degree level. This is likely better to reflect the aspirations of many of those who may enter this expanded system, large numbers of whom are likely to have non-standard entry qualifications and more diverse aspirations. It will also address the UK's relative international disadvantage at these levels.*

(NCIHE 1997: 100)

Furthermore, if expanded and developed in the context of a new qualifications framework, as proposed in the inquiry report, short-cycle sub-degree education would provide greater flexibility for individuals to enter and exit the system at different points:

*This will support lifelong learning; include more stopping-off points with real value below the level of the first degree for more initial entrants; enable students to take clearer but flexible pathways including academic and vocational components; and enable students to return to higher education later in life to take study at a higher level.*

(ibid)

Such an approach was believed to be 'best suited' to meet the needs of the British system, helping 'to reduce drop out' and maintaining thereby 'one of the highest first degree graduation rates in the world'.

However, probably the most important influence guiding this recommendation (and the linked proposal to locate much of this growth in FE colleges) was the scale of participation and the pattern of provision and progression exhibited in Scotland. The higher age participation rate in Scotland (44%) compared with England (33%) was attributed, in part, to a recently introduced structure of qualifications which supported progression from school, through further education and into higher education, and to 'the wide scope there to study sub-degree higher education in further education colleges'. In Scotland, it was reported, some 40% of higher education was at sub-degree levels and over a quarter (27%) of the total provision was delivered by FE colleges. Advised and assisted by a Scottish committee, the Dearing inquiry was made well aware of the distinctiveness of higher education in Scotland and, most probably, was influential in decision-making regarding a number of key matters relating to policy and practice in England.

## According priority in growth to the colleges

In a recommendation that surprised some observers, the Dearing committee proposed that, 'in the medium term', priority in growth in sub-degree provision should be accorded to FE colleges. Furthermore, the enquiry proposed that, 'wherever possible', more sub-degree provision should take place in FE colleges and all such provision in England should be funded directly by the HEFCE. On the other hand, the committee was concerned to prevent any upward drift in this HE role and recommended that no growth should be allowed in degree level qualifications offered in FE colleges.

*We are keen to see directly-funded sub-degree higher education develop as a special mission for further education colleges. In general, over time, we see much more of this level of provision being offered in these colleges, although we recognise that particular circumstances might apply in some cases. We also see no case for expanding degree or postgraduate work in further education colleges. In our view, this extra discipline to the level of higher education qualifications offered by further and higher education institutions will offer each sector distinctive opportunities and best meet growing individual, local and national needs, although we recognise there may be different circumstances in the different countries of the UK.*

(NCIHE 1997: 260)

As with the previous recommendation, the case for focusing future growth on the colleges occasioned little discussion or examination in the inquiry report, except for brief references to the suitability and accessibility of these institutions in performing this 'distinctive mission':

*In many cases, local requirements for sub-degree higher education can be met particularly well by further education colleges, whether as direct providers or in a partnership with a higher education institution.*

(ibid: 259)

and

*It can be especially important for students regarded as 'non-traditional' to higher education institutions many of whom need to be able to study near their homes.*

(ibid)

The franchising of HE programmes to colleges of further education was one way in which provision was being made 'more widely available for those in communities or from backgrounds for whom geographic or psychological distance was a barrier to participation'. By developing directly funded sub-degree education as a special mission for colleges there was scope for both increasing and widening participation in higher education while being affordable in terms of public expenditure constraints, as signalled in the remit for the inquiry. Together with the proposal to establish a 'comprehensible' framework of HE qualifications, the recommendations to expand sub-degree education and locate a significant proportion of this growth in locally accessible FE colleges were seen as 'fundamental to widening participation in higher education'.

The affordability argument was a muted, if not altogether silent element in the inquiry report, whether addressed to the costs of expanding sub-degree education over first degree education, or to the costs of funding growth in the colleges over that in HE establishments. Nor was the technical, vocational or professional orientation of these courses given the close attention which might have been expected by the 'economic imperative' to resume growth and the need for the members of a learning society to 'renew, update and widen their knowledge and skills throughout life'. The vocational dimension, along with the role of colleges in widening participation, were to be addressed much more directly and prominently in the later development of policy for higher education in relation to the FE sector.

More immediately, and before it issued its full response to the Dearing report, the newly elected Labour government announced in 1997 additional funding for higher education to enable a start to be made on resuming growth at the sub-degree levels, mainly in FE colleges. Earlier in that year, on the same day that the committee of inquiry published its report, the new Labour administration had declared in favour of its own option for full-time students to contribute to the costs of tuition and maintenance. This pre-emptive strike on one of the central inquiry recommendations proved highly controversial and served to draw attention away from some of the other proposals in the Dearing report. Rather than adopt the Dearing preference for retaining the maintenance grant and requiring a flat-rate contribution to the cost of tuition, the government moved instead to abolish the maintenance grant altogether and introduce a means-tested contribution to tuition fees backed by an income contingent loan.

It was this policy, and its implications for future demand and wider participation, which has continued to dominate public and political debate about higher education in the post-Dearing years. Ahead of the introduction of the new funding arrangements in 1998, yet not without some considerable delay, the government used its Green Paper on lifelong learning (DfEE 1998b, 1998c) to give its full and formal response to the Dearing recommendations. Having already lifted the cap on full-time sub-degree places, the government reaffirmed its commitment to expanding numbers at this level and accepted that growth should take place 'mainly in FE colleges'. Nevertheless, it expected as well that much existing provision in HE institutions would be 'maintained and, in some cases, expanded'. In another, similarly loosened endorsement, the government accepted 'generally' that there 'should not be significant growth' in degree level qualifications offered by the FE colleges.

## Funding all provision defined as higher education

So that FE colleges 'be given the opportunity to deliver their particular role' for sub-degree higher education, the Dearing committee recommended and the government accepted that the funding of all provision defined as higher education – including higher education in FE colleges – should be the responsibility of the HE funding bodies. In England, consideration of this matter by the FEFC and HEFCE preceded the Dearing inquiry and, by the time of the appearance of the 1998 Green Paper, plans were already being made for implementation in the year 1999–2000. The focus of these discussions was the funding of higher national certificates and diplomas, although they also considered whether there was a case to transfer the funding of courses leading to 'any other higher level qualifications'.

Investigation of these issues by the committee of inquiry posed wide-ranging strategic questions: first, about the need for separate funding councils for higher and for further education and, second, about how funding responsibilities should be divided between them. In England, it was reported, the general consensus among those giving evidence to the inquiry was that, while there was scope for more cooperation between the two funding councils, a single body would be 'too large to work properly or to represent the range of interests adequately'. This too was the view taken by Dearing and his committee:

*In England, in view of the scale of higher and further education, the number of institutions, and the need for a Funding Body to be able to relate effectively to them, we consider that separate Funding Bodies for higher and further education should be continued. But, as we have previously indicated, there should be stronger arrangements for liaison at regional level, particularly to assist in widening participation.*

(NCIHE 1997: 354)

As for the funding responsibilities of these bodies, the inquiry was moved to consider what model would be more likely to support 'the development of vibrant and flourishing sub-degree provision in further education colleges'. Here, two main options were put to the committee. In the first option, all sub-degree provision in the colleges would be funded by the FE funding body, with degree level provision in those colleges and all provision in HE institutions funded by the HE funding body. In the second option, the one 'closest to the current English model', all higher education, irrespective of its location,

would be funded by the HE funding body. While the Scottish committee supported the former option for Scotland, the main inquiry committee favoured the latter option for England since:

*only this could force a consideration of the relative costs of similar provision across all the providing institutions, be they in the further or higher education sector; that this would place the enhanced responsibility for funding sub-degree provision squarely alongside that for other higher education; that it would not confuse delivery of sub-degree higher education with the remaining legal duty for further education of the Further Education Funding Councils; that it would be essentially a tidying-up of the current arrangements; and that the development of the sort of sub-degree qualifications with value ... could only be achieved within the higher education context.*

(ibid: 355)

The committee recommended therefore that, in England and Wales, the funding for higher education in further education should flow through the HE funding body. In Scotland and Northern Ireland, the committee respected the preference expressed for the first option.

What was interesting about these preferences, and about the proposal to develop higher education in the colleges, was the need for the Dearing inquiry to range more widely than originally intended. At the outset, the committee chose to resist any broadening of the scope of its studies to embrace 'tertiary' education: 'we had to set some boundaries' and 'we already faced an enormous task'. However, by adopting a conventional definition of higher education and rejecting a tertiary approach covering further and higher education, the inquiry found itself in some difficulty when looking to underpin some of its key recommendations, especially those directed at other sectors, with the foundation of evidence and depth of analysis merited by their strategic importance (Parry 1999).

## Collaborating to promote diversity, accessibility and efficiency

Central to the Dearing vision for higher education was the development of a diverse range of autonomous, well-managed institutions each making a distinctive contribution to the creation of a learning society. While competition between institutions would continue, the Dearing committee saw diversity as the basis for 'collaboration between complementary institutions, operating to mutual advantage and to the advantage of the communities of which they were part'. Collaboration between HE establishments and FE colleges was to be especially encouraged and the inquiry report recommended that the funding bodies ensure that their mainstream teaching and research arrangements 'do not discourage collaboration between institutions; and that, where appropriate, they encourage collaboration'.

A number of the responses submitted to the inquiry suggested that collaboration was hindered by the current funding arrangements and that 'the funding and assessment methodologies are seen as particular barriers to collaboration'.

*We also heard that collaboration, especially across the current higher/further education boundary, needs to increase to improve the range of response to individual requirements.*

(NCIHE 1997: 260)

and, echoing the argument about the responsibilities of the funding councils:

*Some of those giving evidence extend the debate about qualifications frameworks and institutional collaboration to suggest that the post-16 education system outside schools should be redefined as a single tertiary system. Some institutions are developing formal proposals to merge with others in order to create a new (in the UK) kind of tertiary institution. Others suggest that a single tertiary funding body should be created, even though the institutions which it would fund might continue to offer either mainly higher education or mainly further education.*

(ibid: 261)

For the bodies at the centre of these arguments, the FEFC and the HEFCE, only the latter expressed a view about the merits of single or dual arrangements:

*There has been discussion from time to time about the creation of a single body responsible for funding both higher and further education. The rationale for such an arrangement is strengthened by the increasingly diverse nature of post-secondary education and training, the breaking down of barriers between academic and vocational education and training, and the increase in modular provision, with students taking modules at different levels.*

*However, despite this overlap and synergy, the FE and HE sectors remain largely distinct in institutional and academic terms, and further blurring of levels and current distinctions would not be helpful. In particular, it would be a matter of concern if it led to an upward mission drift by FE colleges. Moreover, the amount of funding and the span of responsibility, from post-GCSE through to world class research, would be too great for a single organisation to manage effectively. Cooperation between FE and HE funding councils in strategic matters is in hand and should bear increased fruits in future. On the other hand the largely national and international role of HE requires a single national overview, within which regional and local interests can be managed.*

(HEFCE 1996b: 23)

The Dearing committee acknowledged the strong weight of feeling that 'competitive pressures have gone too far in promoting a climate which is antipathetic to collaboration' but was not convinced that existing funding arrangements were at the root the problem:

*It is as difficult to prove that institutions are discouraged from collaborating by the current funding methodology as it is to prove that diversity is threatened by the same methodology.*

(NCIHE 1997: 261)

Furthermore, there was a difference of view, 'even amongst institutions', about the best way to tackle these matters: some urged pump-priming; some were sceptical about financial incentives; and some pointed out that institutions 'can and do already engage in collaboration'.

New questions were also being asked about collaboration in the context of the extended use of communications and information technology and the strong emphasis being given to the local and regional role of institutions.

Not only were attempts already being made to develop regional and national credit frameworks to facilitate student mobility between institutions but:

*Lifelong learning and wider participation in higher education will foster collaboration between further and higher education institutions.*

(ibid: 260)

Finally, pressure on funding was likely to stimulate more cooperation among institutions and sharing of resources, especially in meeting regional needs. Instead of seeking to undertake every activity themselves, institutions might form 'strategic alliances' designed to cover a range of activities across the partnership:

*Collaboration matters. It may, in some cases, make the difference between institutional success and failure.*

(ibid: 261)

In the view of the inquiry, greater collaboration was likely to be fostered by 'more imaginative' funding arrangements and by more joint working by the funding bodies, not by a radical reform of sector structures. The scope for more joint working – and joint funding – was illustrated in one of the inquiry recommendations on widening participation where the funding councils for further and higher education were urged to collaborate and fund projects designed to address low expectations and achievement and to promote progression to higher education.

*We consider that the Funding Bodies in further and higher education, local education authorities and representative bodies could usefully jointly identify good practice designed to promote individual access and the enhancement of achievement in those communities with especially low levels of participation.*

(ibid: 108)

Joint working was also urged on the FE and HE funding bodies to address the creation of a framework of data about lifelong learning and to help overcome past concerns that a unique record number – which learners took with them as they moved from school to further education and higher education – might compromise the confidentiality of the individual.

Collaboration was also a consideration in the recommendation that institutions of higher education be represented on the FEFC regional committees and on the regional bodies established by the government to develop an economic strategy for the regions in England. Because the government administrative regions did not necessarily reflect distinct industrial, social, cultural or national entities, there was a concern that many institutions did not relate in any substantive functional way to the administrative region of which they were a part. The inquiry report expressed its hope that some clarification and rationalisation of the large number of bodies with remits for economic development would be attempted and that the new regional structures of government would be able to bring together a variety of different sources of development funding involving further and higher education to promote collaborative activity.

In its response to the Dearing report, the government confirmed that people from higher education would be able to apply to be represented on the new regional development agencies and that the DfEE was in the process of securing HE membership on the regional committees of the FEFC:

*This will help to tie higher education firmly into the regional economic agenda and so enable it to make a greater strategic contribution.*

(DfEE 1998c: 34)

## Assuring the quality of provision delivered in colleges

Collaborative provision, notably that based on the franchising of HE programmes to the colleges, was the subject of some of the most prescriptive recommendations in the Dearing report. Observing that franchising had expanded rapidly and was now common practice in England, the committee was worried that some FE institutions, in seeking to provide a wide range of options for students, 'may be extending themselves too broadly and entering into too many relationships to be able to ensure quality and standards', especially where multiple and serial franchising were involved:

> *There are some concerns about the quality assurance arrangements in some cases, particularly where one college engages in franchise relationships with several higher education institutions ('multiple franchising') and where the franchisee in turn franchises funds to a third party ('serial franchising'). These concerns refer in particular to the possibility of ensuring rigour in the quality assurance arrangements and to the ability of the parties involved to account adequately for the public funds involved.*
>
> (NCIHE 1997: 259)

For all collaborative provision, including arrangements where HE establishments franchised programmes to institutions in other countries, the concern was that 'the quality of the experience for the student, and the standard of achievement required for an award, should match that in the parent institution'. For quality and standards to be assured, and for such arrangements to continue, there needed to be rigorous criteria specifying the 'proper limits' of franchising and a regulatory framework to ensure 'compliance' with the criteria.

> *We believe that in the interests of extending opportunity and encouraging lifelong learning, franchising should continue, but only on the strict understanding that it must not prejudice the assurance of quality and maintenance of standards. To that end, there needs to be a proper contractual agreement between the franchiser and franchisee which describes clearly the responsibilities of the partners. We would expect further education colleges to enter into partnership with only one higher education institution, unless there were exceptional circumstances relating to geographical proximity or subject provision. Such an exception would have to be approved by the Quality Assurance Agency.*
>
> (ibid: 159)

Although the HEQC had developed and extended its auditing of collaborative provision, the Dearing inquiry proposed that the new QAA be given an enhanced role to regulate franchised arrangements. Accordingly, the committee recommended that:

- the QAA should specify criteria for franchising arrangements
- these criteria should rule out serial franchising, and include a normal presumption that the franchisee should have only one HE partner
- franchising partners should jointly review and, if necessary, amend existing arrangements to ensure that they meet the criteria, and should both certify to the QAA that arrangements conform with the criteria
- there should be periodic checks by the QAA on the operation of franchise arrangements to verify compliance
- after 2001, no franchising should take place either in the UK or abroad except where compliance with the criteria had been certified by the QAA.

Many of those who responded to the consultation on the Dearing report were disturbed by the tenor and rigidity of these recommendations and, in particular, they asked for greater flexibility in allowing franchisees to have more than one HE partner. The government had sympathy for this view and, in its response to these proposals, invited the QAA:

*to consider, in consultation with the HE and FE sectors, whether circumstances can be defined in which such arrangements would be acceptable without prior approval and provide the safeguards the Committee considered to be needed.*

(DfEE 1998c: 27)

The regulation of franchising was one element in an extended remit for the QAA recommended by the inquiry. Three main functions were proposed for this body: quality assurance and public information (including the development of codes of practice relating to particular areas of activity, such as collaborative provision, and advising on the award of degree-awarding powers); standards verification (including the development of recognised standards of awards and programme specifications); and maintenance of 'the qualifications framework' (the framework proposed by the inquiry to describe HE qualifications in terms of levels of achievement and intended to 'articulate with other areas of tertiary education'). The arrangements for these responsibilities were to be encompassed in a code of practice 'which every institution should be required formally to adopt, by 2001/02, as a condition of public funding'.

These were functions and activities with major implications for higher education delivered in the colleges, and the inquiry report made specific reference to the need for 'good working relationships' between the new quality bodies spanning secondary and tertiary education.

*The Agency* [QAA] *will be concerned about the standards and quality of higher education delivered in further education colleges. The HNC and HND have developed particularly strongly in these colleges under the aegis of Edexcel in England and Wales. In the future, Edexcel will continue to accredit further education institutions to make these awards and overall quality control will rest with the Qualifications and Curriculum Authority (QCA) established under the 1997 Education Act.*

(NCIHE 1997: 163)

*If both of the new quality bodies are to be involved in oversight of Higher National provision, there will need to be a good working relationship between them to ensure that common standards apply in further and higher education. Not only is this desirable in its own right, it is also desirable to facilitate progression from Higher National programmes to degree programmes, and to prevent bureaucratic demands on institutions delivering these programmes.*

(ibid: 163–164)

Already subject to the quality assurance requirements of the HEFCE, the HEQC and the FEFC, and about to come under the scrutiny of the QAA for its directly funded and franchised higher education, the recommendations to amend the remit of the QAA were of special significance for the colleges. That significance would increase again after 1999–2000 when, in line with the Dearing recommendation, the higher education funded by the FEFC was planned to be transferred to the HEFCE. However, it was less clear how much the FE colleges rather than the HE institutions would be expected to experience a reduction in the burden of external assessment and audit.

*Our recommendations involve a considerably smaller burden on institutions than the existing regime of subject-based quality assessments and institution-wide quality audits, which could result in several visits from national bodies to review quality each year, not including accreditation reviews carried out by professional bodies.*

(ibid: 163)

The Dearing report emphasised the need for the QAA to safeguard against the development of 'a burdensome bureaucracy' and recommended that its Board of Directors, as soon as possible, include a student and an international member. Interestingly, if predictably, this recommendation did not include a member to represent the interests of the college sector.

There was one other dimension of the Dearing recommendations on quality and standards which related to the work of FE colleges. This reflected a concern about the proliferation of the use of the title 'university college' and variants of it, especially by colleges of further education, some of which obtained use of this name under the terms of the charter of a partner university. The colleges of higher education, in particular, had complained that the title had been used by some institutions with no legal claim to it and that it had become 'misleading'. In its evidence to the inquiry, the FEFC was concerned on the other hand that plans in some areas for the establishment of university colleges as 'satellite centres' of existing universities (typically in areas where there was no HE institution) were being pursued 'in isolation and without collaboration' with the FE colleges which served the area and which were 'equipped to provide higher education courses' (FEFC 1996a).

The inquiry agreed that its usage should be limited by clear criteria and judged that the arguments were balanced between three options: restricting the usage to institutions which were a constituent part of a university; extending the usage to those institutions which had in their own right taught degree awarding powers; and applying it to colleges of higher 'and possibly also further education' which had a particular relationship with one university.

The committee preferred the second of these and believed there was a convincing case to be made for creating:

*a new category of institution which would have clearly defined characteristics, denoted by similarity to universities yet respecting the distinctive 'college' feel.*

(ibid: 256)

In recommending to the government that it take action to restrict the title 'university college' to those institutions which were 'in every sense' a college which was part of a university and under the control of its governing body, and to those institutions which had been granted taught degree awarding powers, the inquiry report was determined to stop FE colleges using the term.

*We do not feel competent to address the question of the powers of some pre-1992 university charters, although we consider it inappropriate that they should use those powers in relation to further education colleges which remain separate corporate bodies.*

(ibid: 256–257)

Like the committee, the government was not persuaded that such an extension of the title would be 'in the interest of public understanding'. In the hierarchy of institutions offering higher education, and in order to achieve 'some discipline in the pattern of institutions', the colleges were to be clearly distinguished from the university colleges and the universities in the expanded system envisaged by the Dearing inquiry.

# High policy 1997–2001

The special mission given to the colleges by the Dearing inquiry was but one of a number of revised or refined objectives assigned to further education over this period, and one that derived from policy-making for higher education rather than from wider debate in the world of post-secondary education. What was high policy in the context of higher education was perceived, judged and experienced rather differently by colleges whose main effort and activity was directed at other levels and areas of post-compulsory learning. A continuing duality in the formation and implementation of policy, as well as in the planning, funding and quality arrangements for each sector, was to remain a characteristic feature of attempts to develop higher education in the context of further education.

## Policy elaboration and the requirement to collaborate

Although aimed at colleges in the FE sector, the task of implementing the Dearing recommendations fell chiefly to the HE bodies responsible for funding and quality assurance. In the case of the HEFCE, this included the allocation of funds to expand student places, to widen participation and from 1999–2000 to support the courses in colleges previously funded by the FEFC. For the QAA, through its contract with the HEFCE to assess the quality of teaching and learning at subject level and through its academic quality audits of individual HE institutions, this included scrutiny of a larger and broader spread of provision in the colleges, both free-standing and subcontracted. In each of these domains – participation and progression, funding and planning, quality and standards – one of the key principles informing the elaboration and execution of HE policy for the colleges was 'collaboration'.

This had been an important element in the Dearing discourse but in the evolution of national policy the requirement for colleges to cooperate and collaborate with HE institutions, sometimes alone and sometimes with other organisations, assumed an ever-increasing significance. On the one hand, this reflected a wish on the part of government to achieve a better balance between competition and collaboration in the provision of education and training, thereby aligning the purposes of economic and social policy. On the other, it provided the central authorities with a means of bringing together proposals which threatened to pull in different directions, as in initiatives pointed separately or simultaneously at the 'lifelong learning' agenda and the 'standards' agenda. When also these policies pressed on the systems and structures dividing education sectors, as in the call for colleges to grow their higher education yet maintain their FE mission, the currency of collaboration had an obvious political and practical appeal. Whatever the degree of engagement entailed or demonstrated in practice, the need for colleges, universities and other agencies to collaborate became, in many respects, a semi-compulsory condition of HE policy and funding in the post-Dearing years.

**Widening participation, student progression and regional partnerships**

In its responses to the Kennedy and the Dearing inquiries, the new Labour administration underlined the central place of widening participation in its policies for post-compulsory education and lifelong learning. The priority for higher education was:

*to reach out and include those who have been under-represented in higher education, including young people from semi-skilled and unskilled family backgrounds and from disadvantaged localities, and people with disabilities.*

(DfEE 1998b: 7)

Like the Dearing inquiry, the government recognised that resumed expansion, while widening access and making it possible to meet the expected demand from young people and mature students, was insufficient on its own to reduce the disparities in participation in higher education between groups. In accordance with the key Dearing recommendation on this matter, the HEFCE was asked in its grant letter for 1998–1999 to give priority in funding additional places to those institutions which 'provide evidence of activity to widen access' and to work with the FEFC to develop and launch suitable joint projects to encourage collaboration and strengthen links between the two sectors, to promote access and progression, and to 'the continuation and, where necessary, the refocusing of their outreach programmes' (DfEE 1998a).

Although curiously disconnected from the main recommendations on increasing and widening participation in the Dearing report, the proposal to accord priority in growth in sub-degree provision to the colleges was supported by ministers and implemented by the HEFCE as much for its contribution to local access and wider opportunities as for the other reasons adduced for expanding places at these levels and at these locations. In introducing the new arrangements for its funding of higher education in further education, the HEFCE emphasised the links between equity goals, lifelong learning demands and collaborative strategies:

*Further education colleges have a crucial role to play in the development of a higher education system that meets the growing needs of the learning society and increases the opportunities for students from disadvantaged backgrounds to participate.*

(HEFCE 1998a: 1)

and

*We propose to encourage collaboration and partnerships between colleges, and between colleges and higher education institutions, to develop a more comprehensive strategic approach to meeting student demand.*

(ibid)

Nevertheless, it was through its funding approaches to all HE provision that the HEFCE evolved and formally announced its widening participation strategy. The way that Dearing proposed using the funding mechanism for this purpose was to give priority in funding expansion 'where it is most likely to lead to widening participation': namely, to those institutions which could 'demonstrate a commitment to widening participation' and which had in place 'a participation strategy, a mechanism for monitoring progress, and provision for review by the governing body of achievement' (NCIHE 1997). The way that the HEFCE adapted and extended this recommendation was to include retention alongside recruitment in its strategy to widen participation, to use a combination of mainstream and special funding initiatives to achieve this objective,

and to encourage institutions to develop participation strategies, including their review and monitoring by governing bodies (HEFCE 1998c). As well, institutions were requested to provide initial strategic statements on their key targets for improving representation and retention from specific under-represented groups and an indication of how the institution would use the additional funding provided for widening participation. Given that FE colleges operated in a different context, separate arrangements were made for the setting and monitoring of widening participation targets for their HE provision (HEFCE 1999d).

From 1999–2000 onwards, institutions receiving funding from the HEFCE, including FE establishments, received a funding premium for the recruitment and retention of students with disabilities and for students from disadvantaged backgrounds (as measured using geodemographic data). These funding premiums were in recognition of the additional cost of providing for such students and were in addition to the weightings already provided for part-time students and full-time mature students. The funding supplement for institutions that recruited students with disabilities was calculated according to the number of full-time undergraduate new entrants in receipt of the disabled students allowance. The supplement for institutions that recruited students from under-represented groups was calculated according to the success of the institution in recruiting students from lower than average participating geodemographic groups.

Widening participation had also featured prominently in the criteria for allocating additional student numbers. Both HE institutions and FE colleges had been able to bid on an annual basis to this highly competitive fund for growth in their student numbers and widening access was a specific criterion in this bidding process. This had provided additional places every year since 1998–1999 (including institutions wishing to offer higher education courses for the first time in 1999–2000). There was wide support in the consultation on funding proposals for this strand to continue to give priority to widening participation and this was set to continue in future years.

Outside the mainstream funding model there were three sets of programmes in receipt of special funding to support development activity aimed at widening participation: first, a special programme of widening participation projects led by HE institutions and focused on developing partnerships between higher education, schools and community groups to improve progression to higher education for students from disadvantaged backgrounds, as well as promoting, disseminating and embedding good practice; second, a special programme of widening participation projects led by HE institutions, FE colleges or lifelong learning partnerships and focused on improving pathways from further education to higher education for disadvantaged groups; and, third, a special programme of projects associated with disability.

In 1998–1999 the HEFCE allocated £1.5m of special funding to HE institutions in its 10 regions, primarily to enable partnerships to be established and need identified. To advise on the allocation of funds to this first stage of the special funding initiative, regional advisory networks (RANs) were created, consisting of representatives of regional organisations from both the HE and FE sectors and from government offices. A total of 25 regional partnerships were supported, with FE colleges among the non-HE institution partners in just over half the consortia established by each project (HEFCE 1999e).

In 1999–2000 a further £7.5m was allocated by the HEFCE to the second phase of the special funding initiative, together with a contribution of £2m to the joint special funding programme with the FEFC. The FEFC contributed £2m to the joint programme and called for proposals from the colleges (FEFC 1999). However, institutions were, where possible, 'encouraged to work in partnership and to present single integrated applications to both funds' (HEFCE 2000h). The joint fund was designed specifically to encourage the development of progression opportunities from further education to higher education, and a condition of the funding was that the local lifelong learning partnerships endorsed the application. Lifelong learning partnerships brought together existing local partnership arrangements covering lifelong learning and, in many cases, involved HE establishments in their structures. However, there had been a limited focus on developing progression routes into higher education and the new joint funding programme was designed to address this issue.

Applications to the HEFCE fund were considered by HEFCE officers and, in the case of the joint initiative, by FEFC officers, and then assessed by the RANs. Where lifelong learning partnerships had been confirmed by the government office, it was expected that the application to the FEFC would be made through this partnership. Altogether, a total of 71 projects were supported across nine regions. In three of these regions the previous pattern of funding single partnerships covering the whole region was continued. In the other regions, partnerships were established on a more sub-regional level. In the great majority of these projects, whether funded only by the HEFCE or jointly with the FEFC, the colleges were the main non-HE institution partners. The HEFCE continued its support of the programme in 2000–2001 and 2001–2002, and the FEFC for 2000–2001.

To advise the HEFCE on its overall strategy on widening participation, an Equal Opportunities, Access and Lifelong Learning (EQUALL) Committee had been set up, with one member drawn from the college sector. Similarly, on the national advisory panel established to oversee the widening participation special funding programme, one of its members included an FEFC officer. The HEFCE also appointed a national coordination team – Action on Access – to advise and support the HEFCE-funded widening participation projects, both individually and collectively, and to collect and disseminate good practice more generally throughout the sector (HEFCE 2001f). On its side, the FEFC required regular information on progress in relation to the targets and milestones achieved by the projects and looked to the FEFC Inspectorate and the Further Education Development Agency (FEDA) to be involved in the dissemination of good practice (FEFC 1999). Shortly before its demise in 2001, the FEFC appointed an FE representative to the Action on Access team.

Whether through funding to HE establishments or direct to the colleges, collaboration between institutions in each sector had been central therefore to the widening participation strategy developed by the HEFCE and in association with the FEFC. This emphasis was modified somewhat by the launch by the Secretary of State in 2000 of *The excellence challenge* (DfEE 2000b) which involved the HEFCE in distributing additional funds aimed at widening the participation of young people in higher education and which institutions were asked to take account of in their new strategic statements. Some of the additional funding would be used to increase the amount allocated to institutions in proportion to their success in recruiting students from neighbourhoods with low rates of participation in higher education (the postcode premium).

but some would be used to support a new funding stream to enable HE establishments with fewer than 80% of their students from state schools to 'do more to encourage applications from such students'. Funding would also be provided to support HE summer schools and the distribution of 'opportunity bursaries' to eligible full-time undergraduates. As previously, institutions were expected to monitor and report on performance against agreed targets in their annual operating statements, together with updated 3-year strategies for widening participation (HEFCE 2000d, 2001g).

**Direct, indirect and consortia funding**

The significance for the colleges of the use made of the funding mechanism to promote widening participation was that, after 1999–2000, the HEFCE was making these funds available to more than 260 FE institutions compared to just 70 or so colleges before that date. Furthermore, the expectation that much of the expansion of student numbers would be through part-time and sub-degree courses, together with the decision by the government to locate the majority of the growth in sub-degree places in FE institutions, meant that HE provision in the colleges became a major, if complicated, issue for HEFCE policy and funding.

In its own response to the Dearing report, the HEFCE welcomed the return to growth but was not convinced by the evidence of demand for sub-degree level entry in England nor by the argument for any immediate concentration on sub-degree provision.

*In the light of the uncertain evidence of demand for sub-degree provision, additional numbers should be aimed more generally at increasing advanced skills in the workforce and widening access to HE rather than being focused exclusively on sub-degree courses.*

(HEFCE 1997: 6)

The funding council also welcomed the 'clarification' by the Dearing inquiry of the funding responsibility for higher education in FE colleges and it supported the recommendation that the HEFCE should be responsible for all provision defined as higher education. On the role of FE colleges as HE providers, the HEFCE recognised and valued the 'distinctive' character of this contribution, particularly in securing progression to higher education for many non-traditional entrants and in delivering courses that responded to local and vocational needs. The same body was uneasy, however, about limiting the expansion of sub-degree courses to the colleges:

*Although FECs provide a significant proportion of sub-degree courses – and should continue to do so – limiting growth of sub-degree programmes to FECs as the Committee recommends may damage or restrict opportunities for relevant sub-degree activity in HE institutions. If the objective is to expand the provision of advanced level skills at sub-degree level and to widen access, then we would wish to see expansion by the most appropriate providers in both the HE and FE sectors. There may be an assumption underlying the recommendation that limiting sub-degree provision to FECs is a cheaper option.*

(ibid: 10)

*How we fund HE in FECs is more complex than the report suggests. Although we would wish to fund the majority of FE institutions directly, this may not be the only option. The number and size of FECs which provide HE varies widely, as does the nature of FE/HE collaborative arrangements. The Committee's recommendations on franchising will lead to a more structured and regulated approach to FE/HE collaboration which will enable new relationships to develop and possibly provide new structures for funding. Therefore, we wish to keep open the possibility that a better alternative to direct funding may exist.*

(ibid)

Implicit in these statements was a critical view of the evidence and research base for these recommendations. One of the first actions of the HEFCE was to commission two pieces of research which could inform policy and guide judgements on these issues. One of these, jointly commissioned by the HEFCE and the FEFC, was concerned with the relative costs of degree and higher national diploma programmes in FE colleges and HE establishments (HEFCE and FEFC 1998). The other study was addressed to the financial arrangements and the nature of the student experience under different types of sub-contractual partnerships between higher and further education (HEFCE 1998b). Two years later, a third study was necessary to investigate the relative costs of higher national certificate and higher national diploma level provision in FE colleges, including colleges not previously funded by the HEFCE (HEFCE 2000a).

In view of its public response to the Dearing recommendations on direct funding, and armed with the results of subsequent research studies, it was not surprising that the HEFCE should offer FE colleges a choice between three funding options: indirect funding ('franchising') through an HE institution; direct funding from the HEFCE to an individual college; and funding through a consortia composed of clusters of colleges and HE establishments (HEFCE 1999c). Indirect and direct funding options were already applied, but the funding of consortia was not part of the established funding method and would need a new set of procedures and understandings to be developed. Unlike the indirect and direct funding options where funds were channelled through the HE institution and straight to the college respectively, funding for a consortium flowed through a lead institution which took responsibility for coordinating, and accounting for, the allocation and use of funds. Each consortium was expected to involve an HE establishment, but it was for consortium members to agree which institution would lead. However, the lead institution would not be responsible for assuring the quality of the provision within the consortium: individual members were each directly responsible for the quality of their HE programmes, and would be reviewed accordingly by the QAA.

The rationale for plural funding routes and for a strong steer in favour of collaborative arrangements was explained in terms of options 'which will best support quality and standards':

*Our primary concern is to ensure a high quality of HE experience for the students on all the programmes we fund, irrespective of provider and location. Colleges will be able to choose the funding option which best suits their circumstances. But in making their choices, we look to colleges to consider carefully whether some form of collaboration or partnership with an HEI or other FECs would help them secure high quality and standards. We also expect that existing franchising relationships will continue unless there is good reason to change them.*

(HEFCE 1999c: 1)

and

*Colleges vary so much in the scale and nature of their HE provision, in their mission and aspirations, and in their traditions of partnership with HEIs, they could not be accommodated within a single funding route.*

(ibid: 2)

Central to its review of the principles on which the HEFCE funded HE provision in the colleges was a concern about scale, particularly the differences between funding institutions whose entire or primary focus was higher education, and funding small proportions of HE work in establishments whose primary focus was further education. The issue of scale was, in turn, related to the quality and comparability of the student experience. Whoever the provider and whatever the location:

*the quality of the student experience should not vary. The content, method and approach of programmes may differ: FECs, for example, tend to adopt a more supportive and intensive teaching style than many HEIs. Such differences are legitimate and desirable, in order to reflect the different needs, abilities and circumstances of students. But we shall be incorporating all directly-funded HE provided by FECs into our funding method over a migration period, so that they receive similar funding to HEIs for provision of similar cost. Our expectation is that colleges will deliver the same quality and standards of higher education as HEIs.*

*To provide that assurance, we believe it will generally be appropriate for colleges to work in partnership with others. This is not necessarily the case: many colleges have demonstrated that they can successfully provide high quality HE by themselves, for example in specialist colleges or through HND or HNC courses which build on, and allow progression from, a well-established portfolio of FE courses in the same subject area. Such partnerships may also be unnecessary for those FECs with a large volume of HE programmes. But we believe it can be harder to safeguard the quality of the student experience where there is a small volume of HE provision in a college whose focus and mission is oriented towards FE. That HE provision may become isolated because it is neither securely rooted in the college's core FE work nor linked through partnerships to the wider HE community.*

(ibid: 2–3)

As with widening participation, collaboration was at the heart of HEFCE policy on funding and quality, both as a general objective as well as a specific option:

*Whichever funding route colleges choose, they may find it helpful to collaborate with an HEI specifically in developing their quality assurance arrangements.*

(ibid: 3)

Colleges were able, if they wanted, to continue with multiple funding routes, such as being indirectly funded via an HE establishment for some provision, while being directly funded for other programmes. Nevertheless, the HEFCE believed that, to avoid unnecessary complexity, it would 'normally make sense' for a college to choose a single funding route for all its provision.

The new funding approach, along with new codes of practice on indirectly funded partnerships, was introduced in 2000–2001. The transfer of funding responsibility from the FEFC to the HEFCE had taken place in 1999–2000 and interim arrangements covered this transitional year.

In 1998 an amendment had been made to the regulations listing prescribed courses of higher education under the 1992 Further and Higher Education Act. This applied the definition of prescribed higher education previously used in Wales to England. In so doing, courses for the BTEC higher national certificate were included in the schedule of prescribed courses and the amendment paved the way for the transfer of funding responsibility for these programmes to the HEFCE.

The process of determining which provision should transfer was more difficult than anticipated and it was eventually agreed that the HEFCE would fund all higher national certificate and diploma, first degree and postgraduate level provision previously supported by the FEFC. However, future discussions between the HEFCE, FEFC and DfEE would determine whether 'other higher-level provision', including professional and craft provision and Level 4 and 5 National Vocational Qualifications (NVQs), should also be funded by the HEFCE. This 'other' provision accounted for an estimated 35,000 students in 1999–2000.

Under the Learning and Skills Act 2000 the LSC was given the power to fund this category of provision. In its guidance to institutions on funding eligibility and rates for 2000–2001 (FEFC 2001), the LSC stated that it would fund non-prescribed courses in the institutions it funded and, for this year, the restriction on growth was removed. New courses, or proposals to change the volume of provision, were able to be considered by the local LSCs 'in the context of local needs analyses'. The LSC has since reaffirmed its decision to exercise these powers and decisions by the DfES about the future funding of these courses will wait on their accreditation by the QCA.

In the meantime, the HEFCE 'discussed' with some colleges the reasons for, and consequences of, their proposed funding choices, and has worked towards parity of funding ('migration') so that, once completed, 'no option should be more or less advantageous overall to colleges than another' (after taking account of the value of the services and support provided by an HE establishment in a franchising partnership as well as the direct flow of funds to the college). When, in 1999, the HEFCE sought initial statements from 283 colleges on their choices for funding their HE activity from 2000–2001, 81 (29%) colleges expressed a wish to receive indirect funding, 70 (24%) for direct funding, and 132 (47%) for a combination of indirect and direct funding (HEFCE 2000e).

This represented a clear majority (181 or 64%) wishing to retain their current funding route, along with 'significant interest' from colleges in moving into indirect funding partnerships (and with numbers split more or less equally between those interested in franchise partnerships and those wanting to explore consortium funding). Those minded to move into indirect funding, however, tempered their interest with extreme caution: the majority wished to have only some of their HE provision indirectly funded and many did not wish to change their funding route for the next academic year, but wanted more time to develop effective partnerships before any transfer took place. Given the concern of the HEFCE to avoid a proliferation of small pockets of HE taught in isolation, the funding council was broadly reassured by the pattern of responses, with 213 (75%) out of 283 colleges wanting to work in partnership with others. Of the remainder, 51 (18%) had either previous direct funding from the HEFCE or had demonstrated sufficient quality to be awarded additional student places for 1999–2000.

In its consultation paper on the new funding options for colleges (HEFCE 1998a), the HEFCE estimated that it would be initially responsible for funding an additional 52,000 students and roughly 200 more colleges. As a result of some colleges choosing to be funded indirectly or through consortia, the total number of colleges receiving funds directly from the HEFCE reduced from a high of 270 in 1999–2000 to 226 in 2000–2001 and 202 in 2001–2002. By the end of 2001, seven consortia were recognised by the HEFCE for funding purposes. The largest among these comprised 12 institutions while the smallest had only three establishments in membership. In each consortium there was at least one HE institution and, interestingly, in two consortia there were sixth form colleges alongside the majority group of FE colleges.

To support decision-making by colleges, as well as quality and standards more generally, the HEFCE developed codes of practice on indirectly funded franchise partnerships (HEFCE 1999a, 1999b) and for consortia arrangements (HEFCE 2000f, 2000g). In the case of franchise partnerships, the code was intended to complement the code on collaborative provision produced by the QAA (1999b). Indeed, there was a 'deliberate overlap' between the two since they were 'addressing the same issue from different perspectives'. While the QAA code concerned those aspects of collaborative arrangements relevant to quality and standards, the HEFCE code referred to 'aspects of a particular set of collaborative arrangements in England – indirect funding relationships – which relate to value for money in securing a high quality experience for students'. Although the HEFCE code had funding implications for new partnerships (involving acceleration of the migration period for colleges with small pockets of HE provision), the code was not intended to be exhaustive or prescriptive.

*The circumstances of individual partnerships vary. So long as the end result is high-quality teaching and learning for students, on financially viable programmes, it is for the partners to determine the precise arrangements that will best suit them.*

(HEFCE 1999b: 13)

Furthermore, there were good reasons for maintaining and encouraging these partnerships:

*They fulfil an important role in widening access for students. They can provide good opportunities for student progression. They offer a valuable vehicle for close collaboration between HEIs and FECs in meeting local and regional needs for coherent provision of HE. They also help to develop diversity in the sector. Where partnerships are already working well, we want to sustain them. We also want to encourage the formation of new partnerships.*

(ibid: 4)

This rejection of tight regulation and rigid criteria for the development of franchise arrangements was echoed in the HEFCE code of practice for consortia arrangements, including similar guidance on accelerated migration for FE colleges whose HE provision did not exceed 200 full-time equivalent (FTE) students. Again, there were good reasons for encouraging consortia arrangements:

*They can offer advantages to students by providing a wider network of HE experience among the member institutions. They can simplify and allow flexibility in administration, and promote collaboration between HE providers in planning particularly the local and sub-regional pattern of HE. Consortia also fulfil an important role in widening access for students. They can provide good opportunities for student progression, and they help to support diversity in the sector.*

(HEFCE 2000f: 2)

The code of practice sought to deal with 'some uncertainty' about the difference between a consortium and a traditional franchise arrangement, and the important consequences this had for quality assurance. The primary difference between the two related to the respective responsibilities of the institutions concerned. In a franchise partnership, the franchiser receiving HEFCE funds was 'fully responsible' for the students and accountable for 'all aspects' of finance, administration and quality relating to those students: 'That necessarily implies a hierarchical relationship between the franchiser and the franchisee.' A consortium, by contrast, was 'primarily an administrative device' through which funding, student numbers, and lines of financial accountability could flow.

Partly because the QAA code of practice on collaborative provision did not make explicit reference to this form of consortium arrangement, the role of the QAA in respect of franchise and consortia models was outlined in the HEFCE code for consortia arrangements, and the principles and guidance contained in the code of practice on franchise arrangements were reprinted in the same document (HEFCE 2000g). Because in a franchise the HE institution was the franchiser responsible for quality, the QAA reviewed the provision of the franchiser and, if weaknesses were identified, the franchiser was responsible for putting them right. This was not expected to be the case in a consortium since each institution remained responsible for the quality of the experience which it provided for its students.

*It may well be that a consortium chooses to collaborate in practice in matters relating to quality assurance, and we hope that in many cases the HEI member of a consortium will be able to contribute particularly in that area. However, for all formal purposes, the responsibility and accountability would lie with the individual consortium member. If significant weaknesses are identified during routine QAA reviews, it will be for the relevant university or college to put them right; and any requirement for an action plan or ultimate withdrawal of funding will be pursued with that university or college.*

(HEFCE 2000f: 3)

The same monitoring arrangements were proposed for consortia as for indirectly funded franchise partnerships. This meant no formal monitoring process beyond that inviting FE colleges and HE institutions to adopt the principles of the code when they established consortia arrangements, and for the HEFCE to see the full underpinning contract before it agreed to start funding the consortium: 'We shall not regulate arrangements beyond that.'

Although the FEFC remained the lead accounting body for the colleges and as such took responsibility for monitoring their overall health and development, the HEFCE had responsibility to ensure accountability for the higher education it funded directly. Previously, the HEFCE had relied on the FEFC for any financial or strategic information it required. Because the scale and significance of higher education provided in the colleges had grown substantially, and was set to carry on growing, the HEFCE concluded that it needed itself to collect strategic statements from colleges 'as a means of tracking progress, and developing our understanding of colleges'. Information from FE colleges was sought therefore about their strategic direction and priorities for higher education, and their own assessment of progress against objectives.

An analysis of these strategy statements and the support needs of colleges (HEFCE 2001e) indicated that the concept of development was interpreted in different ways by different colleges, with those offering few HE courses tending to perceive it in terms of growth of HE provision within their organisation, and the larger colleges tending to focus more on development as quality improvement. Key emerging themes included the implication of a 'critical mass' for higher education in further education, the development of an 'HE ethos and environment', the curriculum development strategies and the staff development needs associated with this provision, and the question of quality and the quality assurance mechanisms applied to these programmes. The importance which many colleges gave to creating a 'distinct HE environment' was not something promoted or required by the QAA, yet colleges were anxious to define and develop this dimension in the expectation that subject reviewers would be looking for its presence.

Another context for the request for strategy statements was the HEFCE announcement in 1999 of the setting up of a separate development fund to support HE learning and teaching in the colleges, covering both capital and non-capital elements. The £9.4m set aside for the development fund across the three academic years 1999–2000 to 2001–2002 was calculated to match, pro rata to student FTEs, the funds provided to HE establishments through the institutional strand of the Teaching Quality Enhancement Fund and the capital and IT infrastructure funds for teaching and learning. This was an example of working towards parity on funding from relevant special initiatives, some of which previously were allocated only to HE establishments. To ensure that the amounts of funding allocated were 'large enough to make a difference' and to support the needs of colleges that already had significant HE provision, funds were distributed only to those FE colleges and consortia with 100 or more directly funded HE students. Here was another call for colleges with small and isolated amounts of higher education to join with other institutions to achieve a critical mass 'significant to sustain the quality, standards and culture which are properly associated with the experience of higher education' (HEFCE 2000e).

The development of new funding arrangements and guidelines for the delivery of higher education in the colleges was a more confused, uncertain and uneven process than that suggested in the circulars which accompanied this episode. Meetings held between HEFCE officers and college providers to consider these arrangements often revealed wide differences in understanding on both sides, about the funding, quality and information systems operating in each sector as well as how activities and relationships were funded, managed and experienced at the local level. These gaps were to be highlighted again in the application of QAA subject review procedures to the colleges and in discussions surrounding the introduction of a new model for external quality assurance in higher education.

**Subject assessment, academic review and statutory regulation**

In the same way that the transfer of funding from the FEFC to the HEFCE after 1999 brought the latter body into direct relationships with a much larger number of FE institutions, so the QAA had to plan for a greater volume of subject review visits involving the colleges, many of which had little or no previous experience of QAA requirements and processes. Even without the transfer of funding, the combination of subjects scheduled for review in the 2000–2001 round would have meant the QAA carrying out at least 100 visits to colleges.

From 1999, however, the QAA found itself having to engage with more than 250 FE institutions, with visits to some 170 colleges in the 2000–2001 review round (Underwood and Connell 2000). By contrast, the higher level qualifications which remained the funding responsibility of the FEFC, and which were eligible for funding by the LSC, were subject to the normal inspection arrangements under the FEFC and the LSC, at least until their status was determined by the QCA.

In the years prior to the transfer of funding and ahead of their major encounter with subject review, college providers of higher education found themselves at the wrong end of summary judgements by the QAA. During its first year of operation (1997–1998), the QAA carried out 294 subject review visits to 235 universities, 30 colleges of higher education and 29 further education and specialist colleges in England and Northern Ireland. These covered 16 subjects and represented the second year of a 2-year programme of visits conducted between 1996 and 1998. Based on the reports of the assessments and the grades awarded for six core aspects of provision, the QAA concluded that the HE system was, overall, in good health. Only a small number of reports had been adverse: two review visits (one to a university and one to an FE college) had awarded a grade 1 to one aspect of provision, which meant that the quality 'cannot be approved' and a further review had to take place within one year; and seven reviews (one university and six FE colleges) had awarded scores of 2 in three or more aspects, which meant that significant improvement could be made to the quality of the education provided and that institutions were required to produce an improvement plan which would be monitored by the agency.

Having found much to commend, yet stressing that where criticism was justified 'we do not hesitate to make it', the first QAA annual report expressed concern about the low ratings in some colleges:

*Very few programmes fail to meet the minimum standard for quality to be approved. However, in the last year seven programmes were found to have substantial room for improvement in half or more of the aspects of provision reviewed. Worryingly, six of these related to higher education programmes offered in further education colleges. Whilst only 29 such programmes were reviewed, for one fifth of them to have achieved such low ratings must be of particular concern at a time when the government is looking to the further education sector to provide some growth in higher education provision.*

*For the future, institutions of any type offering such weak programmes will be required to produce improvement plans for them, and these will be monitored by the Agency.*

(QAA 1999a: 2–3)

The colleges were again singled out for attention in the second QAA annual report. This overview was based on the results of 232 subject review visits carried out in the first year (1998–1999) of a 2-year programme of reviews in 13 subject areas, together with the published results for a small number of visits outstanding from the 1996–1998 subject round. Based on these profiles, three review visits (two in the same university and one to an FE college) had awarded a grade 1 to one aspect of provision and required a re-assessment within a year; and one review visit required the institution (an FE college) to produce an improvement plan for monitoring by the agency. Three re-visits were also undertaken during this period and one appeal was made (subsequently rejected) against a grade 1 awarded in 1998.

*Despite the generally good results of subject review, there remain areas of weakness. The more serious weaknesses related to standards. There are failures of curriculum design, where the content or level fails to match intended outcomes of programmes. There are some weaknesses in assessment, characterised by a failure to ensure that assessment adequately measures achievement of intended learning outcomes.*

*Regrettably, these failings are found disproportionately in higher education programmes delivered through further education colleges. In some cases this must give rise to a question of whether the college has the capacity to deliver such programmes.*

*This is not to say that the further education sector has no role to play in the delivery of higher education. Further education colleges can provide an important gateway to higher education for many who do not have ready access to a university. And the best further education colleges do very well indeed: one of the few institutions to secure the highest marks in every aspect of review in art and design was from the further education sector. The models of successful delivery of higher education in further education colleges are there; those whose performance is now disappointing must take urgent steps to emulate them.*

(QAA 2000a: 4)

The comments in the second report were a matter of particular controversy, being highlighted in the education media and challenged by college organisations and some of their members. Among the criticisms made of the conclusions drawn in the second annual report were the size and character of the available sample for these judgements and the pattern of grades actually recorded, which did not wholly accord with the interpretation placed on this evidence. Given that the history of the subject review exercise provided evidence of institutional performance improving with time, a better comparison, it was argued, was between the results achieved by FE colleges now with those achieved by other parts of the sector in the early days of the current methodology (Underwood and Connell 2000).

In its third annual report, the QAA recorded the results of 354 subject reviews carried out during the second year of the review cycle in 1999–2000. Across the 13 subjects reviewed in this second year, two institutions (a university and an FE college) were awarded a grade 1 in one aspect of their provision and were subject to a further review within a year; and one college of higher education collected three grade 2 scores and was required to produce an improvement plan for monitoring by the agency. In addition, the third annual report included the results of a re-visit to an FE college where a joint review awarded a grade 1 in one aspect of provision in each of three subjects reviewed. By repeating a grade 1 in each subject in the second visit, albeit in a different aspect of provision, the quality of education in each was thereby declared 'unsatisfactory'. Interestingly, the profiles achieved by FE colleges were not the subject of a separate commentary in this document, although mention was made of the increasing amount of work directed at college-based reviews and the efforts made by the agency to prepare colleges and recruit reviewers for this activity.

*Our work in conducting subject reviews of higher education provision in further education colleges is increasing substantially. In part, this is because the subjects due to be reviewed in England in 2000–01 include many where there is significant provision in further education colleges. In part, it is because responsibility for funding HNCs has been transferred to the Higher Education Funding Council for England (HEFCE). In preparation for this increase in activity we have taken part in seminars for further education colleges and recruited reviewers with experience of higher education in further education colleges.*

(QAA 2001a: 6)

What was a new departure, on the other hand, was the use of a subject overview report to disaggregate the grades for each aspect of provision to show differences in the quality of education provided by HE institutions and FE colleges. This was done in the overview report for art and design because it was 'the first subject which includes a substantial amount of provision of higher education in FECs' (QAA 2000d). Of the 101 institutions included in the review of art and design between 1998 and 2000, 27 were FE colleges and 17 were specialist institutions, all but one of the latter providing programmes at both FE and HE levels. Apart from observing a 'notable difference' between the graded profiles given to FE establishments and those awarded to HE institutions (with the latter achieving a higher overall percentage of grade 4s than FE institutions), the overview report offered no further commentary on these comparative outcomes.

One of the ways that the subject review process had been able to adjust to the circumstances of institutions, both HE establishments and FE colleges, was through its protocols for conducting joint and parallel subject review visits. Joint reviews enabled institutions to make proposals for the assessment of 'small' provision (defined as fewer than 30 FTEs or provision with less than 50 full-time students) to be combined with other related provision. While there was one self-assessment, one review visit, one graded profile and one published report, the authors of the self-assessment and the subject review report were able to reflect the strengths and weaknesses of the joined units of assessment. A separate protocol was also developed for subject review visits in parallel where review teams undertook their work separately in the institution but where shared and common elements or supporting evidence might be coordinated by the institution in consultation with the review chairs. A third protocol had been applied to the review of large and complex provision, normally where this accounted for more than 100 FTEs and where at least one of the following conditions applied: the provision comprised all or the majority of the work of a monotechnic; and represented a numerous, diverse or widely dispersed range of discrete programmes.

Alongside the subject review regime taken over from, and under contract to the HEFCE, the QAA inherited responsibility for academic quality audit from the HEQC. In 1997, on successful completion of the first round of institutional audits (1990–1997), a revised process – continuation audit – was developed. This process sought to establish how far individual institutions were discharging effectively their responsibilities both for the standards of awards granted in their name and the quality of education they provided to enable students to attain those standards. This embraced collaborative provision, such as that delivered by colleges through franchise agreements with HE establishments, but under the QAA this was no longer audited or reported separately.

Collaborative provision was one among a number of matters on which the QAA published codes of practice in support of the new quality assurance method which it had been asked provide for HE institutions throughout the UK. The code on collaborative provision (QAA 1999b) formed a section of the overall QAA *Code of practice for the assurance of academic quality and standards in higher education*. The overall code and its constituent elements, a suite of 10 inter-related documents, were prepared over a period in response to the Dearing report and the consequent remodelling of the national arrangements for quality assurance in higher education. Although issued for the guidance of HE establishments subscribing to the QAA, the overall code set out the shared expectations about approaches to safeguarding standards which, during the course of its quality assurance reviews, the agency would expect providers to meet in discharging their responsibilities for the academic quality of their programmes. The QAA code of practice on collaborative provision and the HEFCE codes of practice on indirectly funded partnerships and consortia arrangements were produced at roughly the same time, following consultation and involving cooperation between the two organisations, and each was expected to be read in conjunction with the other.

Of more relevance to the colleges, however, was the work on programme specifications, subject benchmarking statements and the national qualifications framework which would underpin the proposed new quality framework, details of which were first published by the QAA in 1999 (QAA 1999c) and then elaborated in the *Handbook for academic review* (QAA 2000b) and subsequent guidance (QAA 2000c). The purposes of the new framework were to fulfil the remit given to the agency to design a system that integrated the scrutinies previously conducted separately at subject and institutional levels, to meet the key Dearing recommendation that judgements should be made on 'standards' as well as quality, to provide a mechanism that would allow for differential intensity of scrutiny (such that external intervention was 'in inverse proportion to success'), and to reduce the burden of external scrutiny by making full use of existing internal processes.

Under the new method of 'academic review', two kinds of evaluation would be carried out: 'subject review' and 'institutional review'. Subject review would focus on 'programme outcome standards' and 'the quality of learning opportunities'. The former was concerned with the appropriateness of the intended learning outcomes (in relation to relevant subject benchmark statements, qualification levels and the overall aims of the provision), the effectiveness of curricular content and assessment strategies (in relation to intended learning outcomes) and the achievements of students. The quality of learning opportunities was concerned with the effectiveness of the teaching, the learning resources and the academic support in promoting student learning and achievement across the various programmes in the subject area concerned. Institutional review, on the other hand, involved an evaluation of the institutional management of standards and quality, addressing the robustness and security of institutional systems relating to the awarding function and looking at the arrangements for dealing with approval and review of programmes, the management of institutional credit and qualification arrangements, and the management of assessment procedures.

While visits would continue to be made by external peers and an important part would be played by self-evaluation documents, academic reviewers would rely upon guidance from the agency to complement their own academic expertise:

guidance in the form of published benchmark statements for each subject and a national HE qualifications framework with levels and descriptors for each qualification (QAA 2001b) as well as the relevant sections of the overall code of practice. In addition, reviewers would draw on the reports of professional and statutory bodies where these were available. Institutions would also be expected to have in place 'programme specifications' setting out the outcomes to be achieved through each programme of study offered and 'progress files' recording the achievements of students. Institutional quality arrangements, including those covering collaborative provision, would continue to be scrutinised through regular visits and teams of institutional reviewers would normally visit each institution once in a cycle together with a mid-cycle review.

The method and procedures of academic review comprised an integrated approach. The reports on programme outcome standards and the quality of learning opportunities would be outputs of a single process of review of subjects, and these would feed information into the process of scrutiny of institutions, thereby providing material for reports on institutional management of standards and quality.

*Conceptually, academic review may be seen as a dynamic engagement with the internal processes of an institution over a six-year cycle. Subject review will update continuously the picture that the Agency has of an institution, and will provide audit trails to inform judgements about overall institutional systems. For review of institutional systems, it should not be necessary to collect significant quantities of additional information, except in relation to the most senior layers of the institutional structure.*

(QAA 2000b: 2)

For both subject review and institutional review, however, the nature of the judgements made would differ from those used previously, with a threshold judgement for programme outcome standards and a graded judgement for each aspect of the quality of learning opportunities applied in respect of subject review, and 'an overall judgement of confidence' applied in respect of the institutional management of standards. Furthermore, the intensity of scrutiny for academic review would not be the same for each institution but would vary depending upon the view taken by the agency of the maturity and reliability of the internal quality processes of the institution.

*Where the Agency has confidence in an institution's ability to assure quality and standards, a lower intensity of review (a 'lighter touch') may be expected, but where there is no convincing evidence of robust and effective systems, greater intensity may be necessary. However, in the case of subject review, the Agency reserves the right to conduct a limited sample of reviews of standard intensity, even in those institutions with the best record, as a means of refreshing the evidence base.*

(ibid: 3)

Following development and trialling over a 2-year period, from 1998 to 2000, the new academic review method was planned to be used in England from the academic year 2001–2002, with the bulk of review activity following completion of the current review cycle at the end of 2001. Although trialling was largely directed at HE establishments, one of the pilots for subject level academic review was an FE college.

Given the focus on integrating subject and institutional review, mention of the colleges in these documents was restricted to their place in collaborative arrangements and the intention to return to separate reviews of this provision:

*Review of domestic collaborative provision takes on added importance with the decision of the government to promote growth of higher education provision within further education colleges. Where an institution has limited domestic collaborative arrangements, these can be considered as part of the normal institutional review. Some provision will be considered at subject level, either in conjunction with review of that subject in the parent institution, or separately.*

*A number of institutions have extensive collaborative provision within the United Kingdom, and it is appropriate to review how effectively quality and standards are maintained in such partnerships. The Agency will aim to review, and publish reports on, the academic management of the collaborative provision of, on average, five higher education institutions per year.*

*Institutions will be given a year's notice of the intention to review their collaborative provision.*

(QAA 1999c: 10)

For the colleges, many of which were still getting to grips for the first time with the existing subject review process, the planning and shaping of academic review was an activity largely aimed at, and conducted with, the HE establishments. With colleges outside the circle of academic quality audit, and with so few of their number involved in the early rounds of subject assessment, the pressure to ease the burden of external scrutiny and create a more integrated model of quality assurance came mainly from within the HE sector. Although, after 1997, membership of the HEFCE board included the head of a college of further and higher education, its quality assessment committee included no representation from the college sector until after 1998 when the same board member became a member of this committee. The HEQC and then the QAA, both funded by subscriptions from the universities and colleges of higher education, had no board members with direct experience of the FE sector. If colleges were not necessarily party to many of the key decisions governing the future of quality assurance in higher education, few believed that the new approach to subject review would lead to any reduction in coverage and intensity for college providers of higher education, especially with the recent transfer to the HEFCE of a raft of programmes formerly funded by the FEFC.

For the institutions of higher education, on the other hand, the authority and operation of the quality assurance arrangements established since 1992 were a source of continuous argument about the rival merits of self-regulation and external assessment, and about the weight of the demands made on institutions. In particular, the claimed reduction in the burden of scrutiny in the new QAA model was sharply contested and, following sustained lobbying by some of the leading research-intensive universities, the Secretary of State announced plans to secure a reduction of 40% or more in the volume of review activity compared to existing arrangements. Moreover, those institutions which had performed well in the last assessment round would, it was stated, expect to see most of their departments exempt from external review.

The announcement was made with less than a year to run before the planned introduction in January 2002 of the new QAA framework in England. Later that year, in July 2001, the representative bodies of the universities and the HE colleges, together with the HEFCE and the QAA, set out proposals for 'a further evolution' in the approach to quality assurance in higher education (HEFCE, QAA, UUK and SCOP 2001). In this approach, institution-level review – conducted on audit principles – would be the basis of external review, and detailed external reviews at the level of the subject would be carried out on 'a highly selective basis', rather than continuing to review externally all subject areas on a comprehensive basis. This was to be the primary means of securing 'lightness of touch', with variation in the intensity of external review being decided, as before, on the principle of intervention in inverse proportion to success. Under the new approach, a reduction of at least 50% in the overall volume of review activity was anticipated. One consequence of this reduction of subject review was that HE establishments would need to publish 'a standard range of key quantitative and qualitative information' so that students, employers and others were able to obtain up-to-date and consistent information about quality and standards.

As part of the audit approach to institutional review, a small number of departments or programmes (covering not more than 10% of the student population) would be reviewed by subject specialists in order to test how well the internal quality assurance processes were working and to examine the quality and standards actually experienced and achieved by students. The standards benchmarks in each subject area, the qualifications framework, the various sections of the QAA code of practice, and the programme specifications would provide 'common points of reference' for external review and its 'drilling-down' for evidence at the point of delivery. The results of the subject-level exercises would be published as part of the audit report and, if areas of concern were identified, these would form the basis for a programme of subsequent review.

These proposals represented a significant shift in the scale, balance and style of review activity applied to, and expected of, HE establishments. As in the model previously proposed by the QAA, the FE colleges would not be covered by the programme of institutional audit and review. Whereas for the universities and colleges of higher education there would be no separate programme of subject-level review, for the FE colleges it meant the application of the subject review method described in the *Handbook for academic review* (QAA 2000b). On completion of the current review round (QAA 2000e) – which included some of the more frequently taught subjects in the colleges (such as business and management; hospitality, leisure, recreation, sport and tourism; and education) – the new subject review method was planned to start in the early part of 2002. Given the need to prepare a new section of the QAA handbook for reviewers and to provide training for reviewers prior to implementation, the new institutional audit process was not expected to commence in England until late in that year.

A preliminary analysis of the responses to the consultation on the new quality assurance approach indicated broad support among HE establishments, although the place and nature of subject review processes in a system based on institutional audit was one of a number of issues 'for further consideration' (QAA 2001c). Among the FE colleges and their representative bodies, on the other hand, there was criticism of the separate arrangements to be applied to HE providers in the LSC sector. Colleges were particularly concerned that they were not fully involved in the development of the proposals; that the new approach treated them differently from HE institutions; and that

they would have to submit to continuation of a comprehensive programme of full-scale subject reviews. In the same document reporting these responses, the QAA repeated its concerns about quality and standards in a minority of FE colleges, as demonstrated (it was claimed) by results from the current cycle of subject reviews. This cycle was due for completion at the end of 2001 and visits taking place to colleges in the remaining months included provision with less than 30 FTE students, as part of a sample of small provision requested by the HEFCE.

To try to ensure that the staff of FE colleges were well informed about academic review, the QAA had run workshops and seminars on the new arrangements and had contributed to events organised for colleges regionally and nationally by the HEFCE. Nevertheless, there remained major difficulties in raising awareness and recruiting reviewers among the college population:

*Despite these activities, considerable uncertainty about the differences between peer review and inspection, and a worrying lack of knowledge about the method, prevail among further education staff. One of our biggest problems has been to persuade colleges to nominate their staff to act as peer reviewers; a problem not helped by the contractual obligations that make the release of staff difficult or impossible.*

(QAA 2001c: 6)

On the conduct of subject review in the colleges, what had still to be considered was the degree to which the QAA could draw on information obtained for the equivalent institution-wide review conducted by Ofsted and the Adult Learning Inspectorate (ALI) on behalf of the LSC. This was a matter of some importance, not least because previous attempts at sharing information had highlighted the fundamental differences of purpose and process in the quality assurance frameworks of each sector. While subject review had always to be de-coupled from academic quality audit for college providers of higher education, limited progress had been made in relating, linking or converging the quality assessment regimes operated in the two sectors. The presence of an HEFCE/QAA officer on the quality assurance committee of the FEFC, together with joint working over the years, had enabled a start to be made in aligning these methods. However, the common inspection framework for post-16 learning introduced after 2001 was designed with other priorities in mind than dovetailing with the methods of the QAA. The new proposals for quality assurance in higher education therefore expected greater collaboration between the QAA, Ofsted and the ALI 'in order to co-ordinate, and minimise, the burden on colleges'.

The other cross-sector question still to be settled was the future status and funding of the higher level qualifications, mainly professional and vocational in character, which remained with the FEFC and then the LSC. The accreditation of these programmes – still described as non-prescribed higher education and presently categorised as among 'other provision' by the LSC – was the responsibility of the QCA (2000). At the time of the Dearing inquiry, the suggestion was made that overall responsibility for the quality assurance of all externally validated sub-degree and higher level vocational qualifications should rest with a single body. Both in its evidence to the inquiry and its response to the inquiry report, the FEFC (1996a, 1997a) proposed that the QCA should have overarching responsibility for what it termed 'advanced further education': basically, all externally validated qualifications at Levels 4 and 5, including higher national certificate and diploma programmes.

As the Dearing committee recognised, there were sensitivities as well as overlaps in the quality assurance arrangements relating to these programmes. However, the inquiry report was unequivocal in expecting the QAA to be concerned with the standards and quality of higher education delivered in the colleges. Since the higher national certificate and diploma had developed particularly strongly in the colleges, and these were externally accredited through Edexcel, the Dearing report acknowledged the shared responsibilities involved: the accreditation by Edexcel of FE institutions to deliver these awards; the overall quality control to be exercised by the QCA; and the oversight of this provision in HE institutions by the QAA.

The transfer of funding responsibility for higher national certificates and some other FEFC-funded HE programmes to the HEFCE in 1999 brought these courses under the jurisdiction of the QAA and, structurally and operationally, this made it is easier for the system to satisfy itself and others that 'common standards apply in further and higher education' (NCIHE 1997). The accreditation by the QCA of higher level qualifications, awarded through bodies like Edexcel or through professional bodies acting in an awarding capacity, was intended to supply a national level of quality assurance. Informed by the design and development work conducted in the four sectors of business, care, engineering and information technology (VQC 1999), the QCA published its design principles for higher level qualifications in 2000 and invited awarding bodies to submit their programmes for accreditation to the national qualifications framework.

The statutory regulation of qualifications at these higher vocational levels has re-opened questions about the respective roles and requirements of the organisations responsible for their external quality assurance, especially the potential for duplication and disconnection in the discharge of these duties. However, in the case of the non-prescribed higher education currently funded by the LSC, accreditation by the QCA – scheduled for completion in 2003 – was expected to help clarify the nature of this provision, its eligibility for public funding, and the allocatory and regulatory authorities to which it would be accountable.

## Foundation degrees and the new vocational ladder

Although endorsing the Dearing recommendations on resumed growth, the new Labour administration was doubtful that the existing forms of sub-degree provision would deliver further significant expansion. In order to meet its target of a 50% participation rate for 18 to 30 year olds in higher education by the year 2010, ministers announced the development and introduction of a new 2-year qualification – the foundation degree – upon which any future expansion would be concentrated. Exercised by the comparative under-performance of the education and training system at the intermediate skills level, the new qualification was intended to be highly valued in the labour market and to appeal to a broad mix of students.

Notice of the new degree was first given by the Prime Minister in his Romanes Lecture at the University of Oxford at the end of 1999, where it was described as 'akin to US associate degrees' and aimed at the 'middle third of achievers' whose opportunities to progress to 'worthwhile' vocationally oriented higher education were considered too restricted (Blair 1999).

Proposals for the design and delivery of what came to be called the foundation degree were presented soon after in a keynote speech on higher education at the University of Greenwich (Blunkett 2000) and were the subject of a consultation paper launched at the time of the speech (DfEE 2000c). In the journey from Oxford to Greenwich the concept of the foundation degree retained its main purpose to redress the historic skills deficit at the intermediate level but its design was now expected to support the growth of new and emerging sectors of the economy, to reach a wide range of people ('including the most able') and to equip them with the 'generic skills' that would serve them throughout their working lives.

*For all these reasons – to meet the shortage of people with technician level qualifications, to develop in students the right blend of skills which employers need, and to lay the basis for widening participation and progression – we need a new qualification*

(DfEE 2000c: 6)

Unlike the treatment of sub-degree education in the Dearing report, the consultation paper on foundation degrees attempted a review and assessment, albeit brief, of the character of courses and qualifications at these levels. Not only had the numbers registering for higher national awards 'begun to fall away' but arrangements for progression to an honours degree were far from satisfactory. With a half of full-time completers starting their degree course in year one and just over a quarter commencing in year two, such arrangements were 'clearly inefficient and costly for the taxpayer and the student'. Both employers and students, it was reported, were often confused by the vast range and number of sub-degree qualifications: 'the current range is such to breed bewilderment and this means that these qualifications are under-valued and difficult to promote'.

More serious again was evidence which suggested that only a minority of employers were satisfied with the adequacy of the technical skills of students and their preparation for employment. While employers were generally content with the specialist knowledge of students, they wanted greater emphasis on the 'key transferable skills necessary to be effective in work'. Improved employability also demanded that students be exposed to the world of work: 'far too many students leave higher education without any first hand experience of work and less than half have had any work experience related to their course of study'.

By involving employers in their development, by enabling students to apply their learning to specific workplace situations, and by guaranteeing arrangements for progression to the first degree, the foundation degree would, it was anticipated, raise the value of vocational and technical qualifications. In time, the new degree was expected to subsume many of the other qualifications and bring greater coherence to the 'current jungle of qualifications' at these levels. By the time that bids were invited to develop prototype foundation degrees, the scale of the commitment to these programmes was clear:

*It is widely recognised that some rationalisation of qualifications below honours degree level is desirable. Foundation degrees will build upon the best of the existing two-year HE programmes, and it is expected that over time the foundation degree will become the dominant qualification at this level. It is the government's intention that the bulk of any further growth in HE be achieved through foundation degrees.*

(HEFCE 2000c: 5–6)

In pointing to shortcomings in the existing pattern of sub-degree provision, no distinction was made between that provided in HE establishments, accounting for around two-thirds of enrolments, and that offered in FE colleges. However, consistent with the Dearing recommendation to locate much of the future growth in sub-degree education in the colleges, foundation degrees were expected to be delivered 'typically' by FE institutions, with progression to the third year of honours degree courses being provided by a 'lead' HE establishment. A key element in the foundation degree was that it should enable smooth progression to honours degrees, normally with a maximum of 1.3 years of additional full-time study, or a part-time equivalent. Consistent as well with the collaborative requirement, the development of foundation degrees was to be conducted by consortia led by an HE institution with degree-awarding powers and including employer representatives and FE colleges 'with a proven track record of providing good quality courses'.

The rationale for locating the new degree in the colleges was to ensure their 'accessibility'. To meet changing patterns of work and family commitments, the new qualification needed to be 'widely available' and would mean developing over time 'a distributed network of providers, so that people can study in their own local area'. The rationale for consortia being led by an HE institution with degree-awarding powers and for that institution to award the degree was to ensure their credibility. Respect for the new qualification demanded that both pre-1992 and post-1992 universities be involved, including those with 'the highest reputation for the employability of their graduates and their success in meeting the needs of industry'.

The issue of credibility, together with the small amount of support it generated among the evidence submitted to inquiry, had been reasons enough for the Dearing committee to reject the introduction of an 'associate degree' along the lines proposed in the HEQC report on credit accumulation and transfer in higher education (HEQC 1994).

*Our enquiries found minimal support for the introduction of such a qualification. It is seen as devaluing the term 'degree' and thought likely to become a second class qualification which would not be credible with employers or overseas, especially in mainland Europe. There was, moreover, suspicion that that it was a cost-driven proposal paving the way to a 'two-year entitlement', so that students would be persuaded that it was a normal endpoint for a majority of undergraduates.*

(NCIHE 1997: 147)

The preference of the Dearing committee was for the development of recognised exit points within a framework of qualifications, not the creation of new qualifications such as the associate degree or, as mooted in some quarters, higher level General National Vocational Qualifications (NCVQ 1995, 1996).

Delivering the new qualification in further education but awarding it through an HE institution raised its own set of questions. Fearing that they might become junior partners under consortia arrangements, some colleges – the 'mixed economy' group in particular – had lobbied for a national validation system that would have avoided them being tied to a local university. In particular, they felt that such arrangements might lead to inadequate transfer of resources between lead HE institutions and their partners. These concerns were highlighted in the consultation exercise and acknowledged by the Foundation Degree Group (FDG).

the body established by the Secretary of State to oversee development of the prototype foundation degrees, with 2 of its 19 members drawn from the FE sector. In the prospectus inviting bids for the first prototype courses, the FDG declared its determination to fund only those bids founded on 'strong equitable partnerships', although HE institutions with degree-awarding powers were still expected to lead consortia in order to ensure 'clear lines of responsibility for validation and quality assurance' (HEFCE 2000c). At the same time, officials were reported to have been wary of putting in place a system that might encourage FE institutions to move independently towards offering more higher education.

In the event, 21 consortia were approved to deliver the qualification from 2001–2002, each in receipt of development funding to build the prototype and each allocated additional student numbers. A total of 68 FE colleges were included in membership of consortia, along with 13 pre-1992 universities, 15 post-1992 universities and another seven HE institutions. Only one consortium had no FE college partners. A total of 40 prototype programmes were developed by these consortia and two-thirds of the 2000 or so additional student numbers were allocated as part-time places.

In addition, institutions were able to bid for additional numbers for foundation degree places from 2001–2002 onwards, either by bidding directly or – if their foundation degree prototype bid had been unsuccessful – by transferring that bid to the competition for additional numbers. New bids had to conform to the guidance on core features for these courses and, if successful, would be subject to the usual funding conditions, not those applied to the prototypes. As a result of this second exercise, another 13 consortia were awarded additional funded places to deliver another 28 foundation degree programmes in 2001–2002. Some, however, chose to defer their allocations until 2002–2003 (HEFCE 2001a).

Except for the prototype consortia, whose conditions of grant during the prototype phase allowed new partners to join only in exceptional circumstances, new partners were able to join other consortia as and when appropriate. Consortia members were expected to engage in a number of activities to create and maintain effective partnerships but, where these involved indirectly funded provision at FE colleges, consortia were guided by the relevant code of practice on indirectly funded partnerships (HEFCE 2000g). It was for consortia members to decide their entry requirements but, 'as a general rule of thumb', it was expected that these would be at least as demanding as those set for higher national diplomas or equivalent intermediate-level qualifications.

When it came to the award of the qualification, the foundation degree would be titled 'Fd' (such that a foundation degree in science would be styled 'FdSc', one in engineering 'FdEng', and one in arts 'FdA'). As with other degree qualifications, the awarding institutions would decide themselves how to grade their foundation degrees although, in order to maintain the distinctiveness of the new degree, it was recommended that the honours degree classification should not be used. It was also envisaged that benchmarking of foundation degrees by the QAA would begin in 2 to 3 years, at which point there was likely to be sufficient numbers of foundation degree students to facilitate a benchmarking exercise.

From the beginning, there was a worry that both the development of prototypes and the re-development of existing provision to conform to the core features of foundation degrees might displace or compete with contiguous higher national programmes, especially those which were long-standing and successful in meeting the needs of the local economy. Although part of a concerted effort to reduce the complexity of vocational qualifications, one of the consequences of the foundation degree initiative was to redouble the efforts of awarding bodies like Edexcel to market the qualities of their higher level vocational qualifications.

In parallel with the development of the foundation degree, and as part of a larger strategy to bring education and employment into a closer relationship, 'a new vocational ladder' was proposed spanning secondary and post-secondary education (Blunkett 2001). At the upper end of this ladder the foundation degree would provide a vocational route into higher education for those reaching Level 3 through advanced level qualifications or through the award of credits for appropriate prior and work-based learning. Employees looking to upgrade their skills were a key target group for the foundation degree, and its wide range of modes of delivery, including part-time, modular, distance and work-based study, were expected to be more aligned to 'earning and learning' than existing provision.

*For many young people, entry to Foundation Degrees will take place after successful completion of Modern Apprenticeships, so that, for the first time, we have a robust, high-standard ladder of progression in work-based learning. Full-time study will suit some young people, whilst others will want to take the degrees part-time, staying in employment. In this way, Foundation Degrees will provide an accessible and flexible building block for lifelong learning and future career success, drawing together further and higher education and the world of work.*

(Blunkett 2000: 5)

At the other end of the vocational ladder, new vocational GCSEs would be introduced from 2002. These would be available in a broad range of subjects and, to ensure the highest standards, would be benchmarked against the 'best' qualifications in Continental Europe. As the first rung in this ladder, the vocational GCSEs would open a pathway to programmes of study that were 'predominantly vocational', or which combined new vocational A-levels with academic A-levels in a 'mixed' programme of study.

Having already established itself as the principal location for young people and adults undertaking qualifying programmes leading to higher education, the FE sector was now poised to supply qualifications at each of the main levels in the new vocational ladder, including vocational GCSEs for 14–16 year olds who in future would be funded to undertake part of their vocational study in FE colleges.

## Modernisation and the creation of the Learning and Skills Council

If expanding short-cycle undergraduate education and collaborating with universities to broaden participation and strengthen progression were stages in the evolution of a stronger and clearer HE role for colleges, these had to be set alongside the primary mission for further education in delivering the aims of the Green Paper on lifelong learning (DfEE 1998b). Universities and colleges were accorded complementary roles in advancing the knowledge economy and achieving a learning society but, as the Green Paper made plain, the most urgent challenges lay in the domain of further, adult and work-based education rather than higher education.

Tackling the weakness in national performance in basic and intermediate skills was by no means a new request made of the colleges, while extending opportunities for all and improving the standards of learning were goals now aimed at 'realising the learning age'. Having welcomed the vision of the Kennedy report and its placing of further education at the centre of widening participation, the government has since given increased emphasis to the economic as well as the social agenda for colleges in the drive for lifelong learning.

The new context for delivering this agenda was, first, a major reform of the funding, planning and inspection systems for post-16 learning and, second, a modernisation of the role that colleges were expected to play in the new sector created by this reform. Both the new framework for post-16 learning and the more focused objectives proposed for the colleges were intended to deliver a more integrated approach to lifelong learning, but for FE institutions offering higher education the survival of sector divisions meant a continuing engagement with a dual structure and binary apparatus for post-compulsory education.

Because ministers chose immediately to deal with the financial crisis in higher education and because it had the report of a national committee of inquiry to guide its actions, policy formation for higher education was somewhat ahead of that for further education, at least in terms of a declared set of measures. After undertaking its own review and consultation on the future of post-16 education and training, the government identified fundamental weaknesses in the existing systems and, in the White Paper *Learning to succeed* (DfEE 1999), proposed the establishment of a single body – the Learning and Skills Council – to take responsibility for the strategic development, planning, funding, management and quality assurance for post-16 learning 'excluding higher education'. Building on the platform provided by the integration of the departments for education and employment in 1995 and the merger of the qualification and curriculum authorities for academic and vocational qualifications in 1997, the new reform was presented as:

*the most significant and far reaching reform ever enacted to post-16 learning in this country, and whose very purpose will be to bridge the historic divide between academic and vocational education, and to match learning to employment needs at national, regional, sectoral and local level.*

(Blunkett 2001: 6)

Under these arrangements, the LSC assumed funding responsibility for FE sector colleges from the FEFC, for sixth forms in schools from the LEAs, for government-funded training and workforce development from the training and enterprise councils, and for adult and community learning from the local authorities. To meet its quality standards, the existing inspection systems responsible for schools, for colleges and for work-based training were brought together into a single new system, with one inspectorate (Ofsted) covering provision for 16–19 year olds in schools and colleges and a new inspectorate looking at post-19 provision in colleges, at adult and community education and at work-based provision for all age-groups. Where appropriate, the two inspectorates would work together in the case of sixth form, tertiary and FE colleges.

Advised by two committees, one for young people and one for adult learners, the national LSC was to operate through a network of local LSCs, which would plan and coordinate provision locally. To ensure that the whole system was 'driven from the bottom-up', local LSCs were expected to work closely with their local learning partnerships, many of which had HE institutions in their membership. Given the important role played by higher education in the education and training of the workforce:

*The Learning and Skills Council will need to take full account of the contribution and potential of this important sector and will work with the Higher Education Funding Council for England and with HE institutions to achieve the National Learning Target for Level 4 (first degree or equivalent).*

(DfEE 1999: 42)

Furthermore:

*Ensuring that there is seamless transition through learning so that everyone is able to progress to the highest level possible will be key. There is particular scope for collaborative activities and sharing facilities between universities and FE colleges, and for adult continuing education. We want to increase further the number of people who combine study with work, particularly in the 18–30 age group and at technician levels.*

(ibid)

However, the structural changes which were considered essential to bring greater coherence, coordination and responsiveness to the new post-16 sector were not extended to higher education. In a rare public statement of the rationale for this separation, two reasons were given in the White Paper for not giving the LSC direct funding responsibility for higher education. The first involved a claim to the uniqueness of higher education: its contribution was international and national as well as regional and local. Although universities should be responsive to the needs of local employers and business, both to meet skills requirements and the application of research, they also 'operate on a wider stage and require a different approach to funding'. The second justification was more operational: to include higher education would undermine one of the main aims of the reform, which was to 'bring order to an area which is overly complex'. Broadening this remit to include higher education would, it was claimed, 'complicate' this remit significantly.

With an estimated one in nine of all students in England already studying in FE institutions, and with a sixth of this number enrolled with HE establishments but taught in colleges under franchise agreements (see Appendix), the argument for exceptionalism was not particularly convincing, more especially as these numbers and proportions were planned to grow in the short and medium term. The argument for reduced complexity was equally perplexing. One of the consequences of the transfer of funding responsibility for all HE courses to the HE sector was simply to move a significant source of complexity from one sector into another. Before 1999, the HEFCE was dealing with just 70 FE colleges in its funding of prescribed HE courses in this sector. After this date, it found itself funding over 200 such institutions and the QAA, already planning for a new system of academic review, was required to accommodate a large number of courses from a wider group of institutions into its existing cycle of quality assessment.

Six months ahead of the LSC coming into operation in 2001, the Secretary of State set out his vision and objectives for colleges within the new sector, each reflecting a modernisation of their role to 'meet the challenge of the knowledge economy' and to 'overcome the productivity gap which still divides us from our major competitors' (DfEE 2000a). Central to this vision was a sharpening of the distinctiveness and specialist focus of colleges and central to realising these objectives was the idea of greater specialisation:

*The need first and foremost for each college to identify what it is best at, and to make that field of excellence central to its mission.*

(DfEE 2000a: 4)

Of the four broad objectives laid down for colleges, three of these anticipated some kind of enduring partnership with higher education. The first, addressed to better education for young people, looked forward to the 'sensible collaboration' which the LSC would make possible between the college and school sectors. Not only was further education included in initiatives, such as *The excellence challenge* (DfEE 2000b) to provide 'joined-up help' for young people to raise aspirations and for more to progress into higher education, but the intention now was to embed the links and programmes established with universities more firmly into the mainstream work of schools and colleges. Apart from the need to enrich and strengthen the links that already existed, new models of institutional partnership were envisaged which might 'involve new forms of college governance which draw universities directly into membership of the governing body'.

A second objective, that of modernising technical and vocational education, sought not just improvement and upgrading of colleges as suppliers of modern skills but, more controversially, the transformation of general FE colleges into specialist centres of vocational education. In so doing, colleges would be expected to build networks in the vocational specialism through links with employers, and through consortia, with local universities and the service Learndirect. At the same time, they would need to demonstrate how progression in the vocational specialism was maximised, with teaching offered at least up to Level 3 and, in many cases, with the spine leading all the way to foundation degree level. By exploiting new technology fully in order to share resources between institutions, colleges working in consortia could support the delivery of higher level qualifications and strengthen links with knowledge transfer work taking place in higher education.

As an indication of the seriousness which the government attached to this second objective, the LSC was asked to work to a target of ensuring that, by 2004–2005, 50% of general FE colleges 'have an established vocational specialism for which they are regarded as a centre of excellence locally, regionally or nationally'. That target was subsequently brought forward to 2003–2004 and the first 16 'pathfinder' colleges were announced in 2001. These pathfinder centres of vocational excellence were intended to signal the standard for other general FE colleges to follow, to allow the LSC to refine the criteria by which excellence was recognised, and to assess the support and development needs of the colleges involved.

Finally, and most centrally, colleges were expected to build on their collaboration with universities to provide a ladder of opportunity to higher education, with the first prototype foundation degrees beginning in 2001 and with consortia arrangements being used to pool the expertise and resources of the FE and HE sectors. As always, it was essential to ensure that, across the full range of partnership models, the higher education provided by colleges 'meets or exceeds the necessary standards'. With, it was claimed, international evidence suggesting that vocationally oriented higher education was expanding and delivering 'real benefits' for individuals and businesses, and with the new foundation degrees building on the lessons of international best practice, there was:

*real scope for further growth of higher education in colleges over the period of 1999–2000 to 2003–2004.*

(DfEE 2000a: 22)

Following publication of the White Paper on enterprise, skills and innovation *Opportunity for all in a world of change* (DTI and DfEE 2001), the modernisation objectives set for the colleges were given further impetus by the proposal to create new technology institutes (NTIs) in each of the regions of England. These were intended to meet regional needs in two areas of skills formation and knowledge transfer: by expanding the supply of people with technician and higher level skills in information and communication technologies (ICT) and other advanced technologies; and by making available better advice and support to small and medium-sized enterprises, through improved links with higher and further education, on the effective adoption of new technology and innovative business practices.

In yet another attempt to foster collaboration between institutions in the two sectors, the HEFCE invited bids from consortia of HE establishments, FE colleges and other partners to establish NTIs (up to two in each region). Bidding consortia were required to have at least one HE institution, one FE college and one private sector organisation in membership but, for HEFCE purposes, the HE establishment was the lead partner to receive and distribute funding on behalf of the consortium. In addition to bidding for capital funding, consortia were expected to bid in parallel for additional student numbers for the HE element provided by NTIs. Separate arrangements were to apply to FE places funded through the LSC and it was necessary for each consortium to secure provisional assurance from their local LSC that sufficient places would be available to meet the plans of the consortium.

New technology centres were thus:

*part of the broader purpose of strengthening the contribution which HEIs and FECs make to economic development through promotion of a learning society and a knowledge-based economy.*

(HEFCE 2001c: 3)

That broader purpose was being promoted through a range of knowledge transfer activities and, with a view to collaboration, the new technology centres were asked to make appropriate links with the newly established centres of vocational excellence in further education. In the prospectus for the latter (DfES and LSC 2001), collaboration between the two enterprises on the provision of ICT was seen as particularly important, especially if progression opportunities to Level 4 were to be enhanced beyond those which might be directly delivered by the college.

The twin themes of responding to the emerging regional agenda in England and in encouraging collaboration were also the subject of a policy statement from the HEFCE which sought to review the priority to be given to regional issues. Relationships with the FEFC and the LSC, and with the FE colleges, featured strongly in the regional role of the HEFCE, and the policy statement provided an opportunity for the funding council to summarise its view of policy activity in this area:

*The encouragement of sub-regional and local networks of HE providers is an important feature of our policy on HE in further education colleges. As part of the wider objective to increase participation in HE, we have allocated funds for additional places to part-time and sub-degree courses in FE colleges, where there is evidence of demand. At the same time, in order to safeguard quality, we are strongly encouraging FECs to work with partner HE institutions, and with each other in locally-based consortia, with a view to securing a range of complementary programmes in each area suited to local needs. Many of the HE regional consortia are also developing links with their FE counterparts.*

(HEFCE 2001b: 11–12)

It was also an opportunity to reflect on the different relationship it had with the colleges compared to the universities and other establishments of higher education:

*In addition to working with the 132 universities and HE colleges in the HE sector, we also have a direct funding relationship with over 200 further education colleges. The nature of our relationship with FECs is necessarily different from our relationship with HEIs. We do not have the same responsibility for the overall health and development of the institution in the case of FECs. That responsibility rests with the Further Education Funding Council (and in future the Learning and Skills Council) as the primary funder. Our role is only to fund one or more HE programmes, which will always be a minority of the institution's activity.*

*There is also a question of proportion. We cannot realistically achieve the same depth of relationship with an FE college which may offer only a handful of HE places as with a university offering tens of thousands of places. Given the constraints on our staff resources, we may keep in contact with many FECs through collective meetings in regional seminars.*

(ibid: 23)

# Higher education in the learning and skills sector

As this examination of the changing context for higher education in colleges has illustrated, the movement from low to high policy has been neither simple nor straightforward. On the one hand, colleges were asked to perform ever wider functions on behalf of the FE sector, first as establishments owned and controlled by the local authorities and then as incorporated institutions funded to achieve rates of growth driven by national targets. On the other, colleges were brought more and more into the service of higher education, as suppliers of qualified entrants and franchised courses for HE institutions, and only later recognised as long-standing and future providers of higher education in their own right.

To the surprise of some commentators, the shift to a mass scale of higher education in England was achieved without the creation of new or merged institutions to accommodate this expansion and without the transformation of FE colleges into major or mainstream providers of undergraduate education. Given the unplanned and uneven nature of this growth, with expansion concentrated on the first degree and postgraduate levels, it was only occasionally and then sometimes negatively, as in concerns about the quality of franchised provision, that the colleges were brought into the policy frame for higher education. Following the incorporation of the colleges and the consolidation of numbers in higher education, this low policy profile continued, especially in further education where the FEFC was determined to prevent any dilution of the mission of colleges and was content to transfer responsibility for the HE courses it funded to the HEFCE.

The arrival of high policy for colleges offering undergraduate education had to await the report of a national committee of inquiry into higher education, although some preliminary consideration of the future role and funding of HE in FE had already been undertaken by the HEFCE in association with government departments and the FEFC. That colleges were now re-discovered as sites for future expansion of higher education, initially through their existing forms of sub-degree provision and then, more radically, through their delivery of foundation degrees, did not presuppose a more independent role for these institutions as providers of undergraduate education. On the contrary, acceptance of an expanded or enhanced mission for colleges in the delivery of higher education has coincided with more stringent regulatory requirements governing the funding and quality assurance of undergraduate programmes, whether taught in their own name or on behalf of partner institutions.

## Policy profusion and stalled demand

On the back of the Dearing recommendations and ahead of colleges joining the learning and skills sector, the government and its agencies evolved a whole series of policy goals for further education in pursuit of short-cycle higher education. In essence, these were centred around five policy measures:

- **A planned expansion** In line with the Dearing proposal that directly funded sub-degree higher education develop as 'a special mission' for FE colleges, the HEFCE has assumed funding responsibility for all postgraduate, first degree, higher diploma and higher certificate courses in the colleges, and the government has planned for over half of the expansion in sub-degree places to be delivered through the colleges. Concerned about the weak demand expressed for existing sub-degree provision, the new foundation degree was planned to add 'a new character' to the HE system, offering high market value because of its focus on employability and appealing to a wide range of students. Delivered mostly in colleges but awarded by a partner HE institution, the foundation degree was intended to account for the bulk of any further growth in higher education and, over time, was expected to become the dominant qualification at this level.
- **A collaborative mode** For the planned expansion to be achieved, its quality maintained and its opportunities for progression enhanced, colleges have been exhorted or pressed to develop their provision in association with one or more HE partners. In order to deliver the same quality and standards of higher education as HE establishments, especially where the volume of undergraduate provision was small, colleges operating outside of regulated franchising arrangements or foundation degree agreements have been encouraged to receive their funding through consortia composed of clusters of colleges and HE institutions in the same geographical area. Collaboration between colleges, as well as between colleges and HE establishments, was a means of developing 'a more comprehensive strategic approach' to meeting student demand.
- **A widening participation role** Collaboration between HE establishments and FE colleges has also been promoted as a key element in strategies to widen participation in higher education, with the allocation of special funding to encourage HE institutions to build regional partnerships with colleges, both to extend participation and to enhance progression for students. At the same time, following acceptance of the Dearing recommendation that responsibility for the funding of all higher education should pass to the HE funding bodies, many more colleges and many more of their HE courses were brought into funding arrangements which paid a premium for the recruitment (and retention) of students from disadvantaged backgrounds and those with disabilities.
- **A new vocational ladder** As part of its rationalisation of qualifications, and to help overcome the divide between academic and vocational education, a new ladder of vocational progression has been proposed from the intermediate through to the higher levels of vocational learning, with a key focus on foundation degrees built on partnerships between higher education, further education and employers. Around the foundation degree and spanning the middle and upper rungs of the vocational ladder, there remain a variety of professional and technical qualifications whose future status and funding responsibility will be decided over the next 2 to 3 years.

- **A specialist vocational identity** Over the same period, and dovetailing with measures to build vocational progression, general FE colleges in the new learning and skills sector were asked to renew and reconstitute themselves as centres with a recognised excellence in a vocational specialism. At the regional level, these same institutions were likely to find themselves partners with HE establishments and other organisations in proposals to create new technology institutes. Alongside their development as specialist vocational centres of excellence and as regional partners with HE institutions, one of the main objectives laid down for colleges was to provide a ladder of opportunity to higher education, with colleges expected to exploit the scope for further growth in foundation degrees and, through consortia arrangements, to pool their expertise and resources with HE establishments.

  Such were the cross-cutting purposes and priorities acquired by colleges in respect of their evolving and extending HE mission. First among these, and in many respects central to the success of the others, was the decision to give priority in growth to FE colleges.

  Although among the least understood parts of English higher education, and among the lowest areas of growth in the shift to mass higher education, FE colleges offering short-cycle undergraduate programmes were assigned a leading role in the renewed expansion planned for higher education in the late 1990s and beyond. As has been noted, the rationale for focusing initial growth at the sub-degree levels and for asking colleges to take a significant proportion of these additional places involved a loose collection of arguments about the likely future pattern of demand for higher education.

  An assessment of the economic requirement for more highly skilled people and the economic benefits to be gained for individuals and society, together with rising levels of achievement among a larger cohort of young people, led the Dearing inquiry to conclude that demand for higher education was likely to increase over the next 20 years. That much of this demand, at least initially, was expected to be expressed at the sub-degree levels was a judgement resting on less firm evidence. Short-cycle sub-degree education, claimed the inquiry report, was likely better to reflect the diverse aspirations and needs of those who might enter this expanded system, including the large numbers expected to have 'non-standard' entry qualifications.

  The case for locating more of this activity in the colleges was made with similar brevity. Not only had a number of colleges developed a particular expertise in sub-degree education but, it was averred, they were especially important for students regarded as 'non-traditional' to higher education, many of whom needed to study near their homes. For those looking to combine study and work, HE courses delivered locally by colleges were equally important in support of lifelong learning.

  Whatever the soundness of these judgements, their acceptance and implementation have taken place in less than favourable circumstances. First, the rejection by the newly elected Labour government of the key Dearing proposal on funding and student support served to disturb, not to say undermine, the careful balance of recommendations assembled by the inquiry. Acceptance of the recommendations on future growth and widening participation depended crucially on a model of funding which brought more resources into higher education but which was neutral in its effect on patterns of demand.

And, second, whether as a consequence of this rejection or because of a more complex combination of factors, demand for places in higher education has been much reduced in the recent period, causing overall targets to be unmet and additional allocated places to be unfilled (HEFCE 2001d). Equally serious, the shortfall in higher education, where the target set in 1998 was for an extra 100,000 people enrolled by 2002, has its analogue in further education, where colleges have struggled to reach a target of 700,000 extra students over the same period.

## Continuing duality and prevailing uncertainty

Aimed at the overlapping territories of higher education and post-16 learning, the attempt to expand and diversify higher education in the context of FE colleges has also been a severe test of 'joined-up' policy applied in the context of a dual and divided system of post-secondary education. In its elaboration and execution, such a policy was expected to overcome the dual structures and processes which were a distinctive and increasingly burdensome feature of the development of higher education in the colleges.

In the event, depressed demand and the dual nature of policy and practice for higher education in further education have posed major difficulties and acute dilemmas for colleges reviewing their current and future investment in this level of provision. Among the operational complexities and strategic uncertainties influencing contemporary planning decisions were those which related to at least five policy dimensions:

- **Coordination or separation?** Given the historical anomalies associated with the provision of higher education in further education, there was likely to be some welcome for a clearer division of labour between the two sectors, especially in a new post-16 sector in which higher education was an even smaller percentage of the territory than in the former college sector. On the other hand, the intention to focus a significant part of future HE growth on foundation degrees delivered in association with the colleges prompted calls for stronger coordination between the sectors if a new framework for vocational progression was to be realised. While the funding and quality bodies in each sector recognised the need for regular contact and cooperation, what coordinating mechanisms were likely to be most effective and how different did they need to be at the national and the local levels?
- **Concentration or dispersion?** In seeking to expand vocationally orientated higher education in the colleges, there were a series of strategic questions to be addressed jointly by both sectors about where future growth should be located: on the 20 or so 'mixed economy' colleges which have long experience of higher level work; on the 300 or more colleges which teach smaller and sometimes fairly isolated pockets of higher education; on consortia coming together to deliver the foundation degree; or only on those colleges recognised as specialist vocational centres of excellence?

- **Collaboration or competition?** The pursuit of collaboration as a means to increased efficiency, improved quality and broader participation has led to a growth and strengthening of regional partnerships, especially between HE institutions and FE colleges. However, where HE establishments were at risk of under-recruiting, there was a danger that warm relationships in collaborative schemes might quickly turn cold, especially if students were to carry larger funding premiums by virtue of their background or age. Were colleges afforded some protection by foundation degree partnerships or were they vulnerable as before to the recruitment decisions of more powerful institutions, absorbing demand when the capacity limits of HE establishments were reached and losing potential entrants to such institutions when competition to fill places was at its sharpest?

- **Increasing or widening?** Both in the Dearing report and in subsequent statements by the government and the funding bodies there has been some ambiguity about the primary purpose of higher education offered by or in association with colleges of further education. In the example of the foundation degree, its aims included: reaching out to under-represented groups and combating social exclusion; equipping students with technical skills, academic knowledge and transferable skills; meeting the needs of employers and the economy; satisfying the wider aspirations of individuals and society; encouraging smooth progression to the honours degree; and providing a qualification valued in its own right. Was such provision intended to stimulate new demand or steer current demand in new directions and, if collaboration between colleges and universities was a goal of policy, was this meant to increase, widen or deepen participation?

- **Light or heavy?** Under present arrangements, colleges offering higher education have had to engage with planning, funding and quality regimes quite different from those in their own sector, each making separate demands and each operating on different cycles. For HE institutions, the new proposals for academic review anticipate a considerable reduction in the volume and weight of external scrutiny but, for FE colleges, all their HE courses will be expected to submit to the standard rate of intensity. Part of the justification for the latter was the limited extent to which the quality of individual HE courses formerly funded by the FEFC had been systematically inspected and reported, but what approach was to be taken in the case of foundation degree programmes where the provision was new or re-developed out of existing courses?

  For colleges moving out of their own FE sector and joining a larger post-16 sector shared with private training providers, the specific anxieties surrounding the future of their higher education were but one source of the multiple uncertainties facing these institutions. Given the exclusion of higher education from the remit of the LSC and the small amount of post-16 activity represented by higher education in the colleges, there was every reason to believe that – as previously – actions determined by one sector (higher education) would continue to shape the character and extent of undergraduate education in the adjoining (post-16) sector.

Although ministers had urged universities to build closer links with the LSC to help the government realise its growth targets for higher education, the injunction for institutions in each sector to collaborate was unlikely on its own either to stimulate significantly increased demand or, more critically, to achieve a better balance between collaboration and competition in the recruitment of students. In recent years, and under conditions of depressed demand, there were signs that some of the HE establishments which grew most rapidly between 1989 and 1994 had experienced the steepest declines in recruitment whereas other institutions, mainly among the pre-1992 universities, had achieved a steady growth. When additional student numbers were allocated, these tended to go to institutions where demand was highest. Where allocated places were not filled, these were re-apportioned, generally to institutions with stronger demand. In short, there were increasing signs that more popular institutions might be flourishing at the expense of the less popular:

*The consequences of the current mismatch between supply and demand are readily discernible. The increase in overall student demand levelling off, but popular institutions able to grow, have resulted in a shift in the balance of provision towards these more popular institutions. The changes in demand and distribution are driving significant structural change in some institutions. The level of under-recruitment against their targets for those institutions hardest hit, and the consequent loss of income, has required significant and rapid reductions of staff (both academic and support), a radical reappraisal of estates and student residence strategies, and a need to review or restructure current financing arrangements.*

(HEFCE 2001d: 50)

Any weakening of these less popular institutions – possibly to the point of closure of campuses or whole institutions – was of immediate concern to the HEFCE, undermining its commitment to work with institutions to achieve increased and wider participation, and inviting a more interventionist role for the funding council:

*As part of this commitment, there may be a case for intervention to maintain the diversity in the pattern of institutions across the sector. In general, the current mismatch is impacting most on those institutions that are most active in providing for students from disadvantaged backgrounds, part-time students and mature students. And it is these more diverse groups who make up the most significant pool of potential demand.*

(ibid: 6)

These were, of course, among the same categories of students which FE colleges were expected to attract to their expanded sub-degree courses and which even the post-1992 'access' universities now found it more difficult to recruit.

While pressure will no doubt mount on ministers to review the organisation of the two sectors (Piatt and Robinson 2001), it would seem unlikely that this will lead, at least in the short term, to the realisation of an integrated tertiary system. Short of a policy to fund institutions against their mission or for the government to plan for federated or networked institutions within regions, one suggestion for achieving a 'sensible' division of institutional labour was for the funding councils to encourage strategic alliances and voluntary mergers (Newby 1999). In contrast to existing collaborations which had grown by historical accident or by dint of special funding, these alternative configurations, it was argued, might avoid some of the conflicts which arose from the current collaborative and competitive agenda, especially where FE colleges found themselves operating in unstable and low-trust environments.

If institutions of further and higher education were to be brought together in this way it would require ministers to adopt a less negative attitude to cross-sector mergers and, arguably, for colleges to adjust or surrender part of their claim to provide a distinctive style of higher education. It would require as well that the funding bodies work together on a more systematic basis than previously envisaged: something that would need to happen whatever the type or forms of association to be supported.

One pointer in this direction was the preparation by the HEFCE and the LSC of joint proposals for a strengthening of the existing partnerships between HE, FE and the schools (HEFCE and LSC 2001). Under pressure to deliver the 50% participation target set by the government for HE in 2010, the joint initiative looked to develop 'a more coherent framework' to raise the attainments and aspirations of young people. With an eye to the 2002 comprehensive spending review which would determine public funding priorities for the period 2003–2004 to 2005–2006, the proposals were intended to secure a substantial increase in investment in the longer term: 'we have nine years in which to achieve the 50% target' and it 'cannot be met without a concerted collaborative effort'.

Needless to say, FE was expected to play 'a pivotal role' in this project but, this time, 'a major programme of research' would also be part of the initiative. Linked to the ongoing evaluation of the enterprise, the research was expected to identify effective approaches to overcoming participation barriers, including experience from overseas.

## Closing the research–policy gap

In tracing the recent policy history of higher education in further education in England, from conditions of low or no policy to those of high policy in the post-Dearing years, this account has highlighted the weak and fragmented nature of the knowledge base for policy-making in this area and, if brought into play at all, the use of research to support or rescue the implementation of policy rather than to guide or illuminate its formation. These two features have been characteristic of the research–policy gap in this territory and, while common to other parts of the education and training system, they have proved difficult to change when the interests of separate sectors continue to shape their respective policy, development and research agendas.

Before its discovery and elevation to the status of high policy, when responsibility for its development was largely in the hands of the local authorities and when most attention was focused on the career of the polytechnics and the larger colleges, the provision of advanced further education across the smaller colleges, both general and specialist, occasioned only minor interest from policy-makers and little curiosity from education researchers. Nor did the coming of mass higher education necessarily challenge the perception of these providers as residual or marginal components of the HE system. While their increasing importance as suppliers of HE entrants was acknowledged, especially in respect of adults and 'second chance' students returning to study, their expanding access and franchise relationships with degree-awarding institutions were viewed more variously, as rational features of an extended system or as compromised responses to unplanned and under-funded expansion. Whatever the valuation, the higher education which colleges offered in their own name and which had not experienced rates of growth as high as those elsewhere, remained a little understood corner of the HE map.

This soon became apparent to the new funding council for higher education when, in order to plan for the policy of consolidation introduced after 1994, the HEFCE sought to review the pattern of programmes and partnerships associated with higher education offered in the context of further education. For the FEFC, on the other hand, the provision it funded as non-prescribed higher education was not seen as central to the mission of the newly defined FE sector and the ambitious growth targets set for the colleges. Separate systems of data collection in each sector, together with major difficulties encountered in attempts to incorporate FEFC data into the Higher Education Statistics Agency (HESA) record, meant that the central authorities had at best only a partial understanding of the higher education it funded and regulated in the FE sector.

These asymmetries of policy, information and interest were the backdrop to the recommendation of the Dearing committee to focus a large part of the growth of short-cycle sub-degree higher education on the colleges. That proposal, along with assumptions about the role of colleges in widening participation and building progression, were unable to be tested or informed by the quality of research evidence expected to be sought and interrogated by a national committee of inquiry. While the inquiry had an opportunity to acquaint itself with past and present characteristics of this territory, through its own commissioned research in particular, the committee was poorly served by the work of the academic research community in this area as well as by the policy intelligence of central government and its agencies.

Prior to the announcement of the Dearing review, there had been calls from several quarters for a separate inquiry directed at further education. Instead, the Kennedy examination of widening participation in further education, set up by the FEFC as an internal committee and with quite specific terms of reference, took on a wider role and achieved a position to rival that of the Dearing inquiry in higher education. Without the brief and budget for the programme of research available to the HE inquiry, the Kennedy committee was reliant on short-order analyses and consultative exercises to build its arguments and recommendations. For all its radical vision, the Kennedy text chose to avoid any questioning of sector boundaries or any recognition of further education as a current and future site for higher education. With Dearing deciding against a tertiary approach and Kennedy making a claim for further education to receive a larger share of the resources devoted to post-compulsory education, neither inquiry was minded to investigate seriously the overlapping and cross-cutting zones of higher education in further education (Parry 2001).

In their otherwise broad welcome for the Dearing report, it was noteworthy that among the reservations expressed by the HEFCE and the FEFC were those which clustered around the future role and funding of colleges and their relationships with HE establishments. Not only were both bodies critical of the failure of the inquiry to cite evidence for its assertions and prescriptions relating to franchising but, in the response of the HEFCE, there was the charge that the committee had not appreciated the complexity of the planning and funding issues involved. Significantly, this led the HEFCE to commission its own research into some of these matters and to adopt alternative approaches and strategies to those originally proposed by the Dearing committee. The subsequent decision by the government to introduce foundation degrees was itself a tacit admission of early policy failure in this area but, as with the earlier Dearing proposals, this too was based on a weak platform of evidence and understanding, requiring the HEFCE again to commission its own studies to remedy some of these deficiencies.

However successful the efforts of the LSC and the HEFCE to coordinate their strategies might be, the separate structure and organisation of the two sectors will continue to make it difficult to derive common sets of baseline data for the purpose of description, comparison and evaluation. For many empirical studies spanning further and higher education, much of the research effort has necessarily been front-loaded, requiring researchers to bring together data from different sources and collected for different purposes before the main investigation can be planned or pursued. In these circumstances, what were intended as pilot or preliminary studies can become important research exercises in their own right, assembling a threshold of data and establishing a framework of understanding which, in other areas of education, might already be shared between the policy and research communities.

At the macro or system level, the case for a cross-sector or tertiary approach to policy inquiry, rather than the regular strategic review of higher education suggested by the Dearing inquiry, will require its own appeal to evidence and argument. Home international (England, Scotland, Wales and Northern Ireland) as well as wider country comparisons offer important insights into the working of dual and integrated systems of post-secondary education, especially where the state and the market make competing demands on the local and global missions of institutions. Within a single country or region, the ability to track and analyse the movements of students within and between sectors has a special significance where, as in England, strategies of widening participation in higher education depend on claims about the merits of collaboration with colleges. Nowhere has the research–policy gap been starker than in the assumption, rarely examined, that colleges can combine the multiple missions set for them by sector policies.

At the meso or institutional level, where colleges deliver their own higher education and collaborate with HE institutions in highly competitive markets for students, the intended and unintended consequences of dual system policies have yet to be properly understood. For colleges with small or large proportions of higher education the impact of such provision on the rest of the organisation might be hidden or overt as well as detached or integrated: on the shape of the curriculum, on the conduct of teaching, on the development of staff, on the allocation of space, on the interaction of students, and on the distribution of resources. The growth of higher education in further education has major implications, therefore, for the public and private dimensions of college life which only a variety of research methods and perspectives was likely to explore.

Finally, at the micro level of participants and their experiences of higher education offered in the context of colleges there remain a host of policy-related research questions to be refined and investigated: on the distinctiveness of teaching and learning in these habitats; on the quality and comparability of higher education in college and university settings; on concepts of studentship and learner identity in college environments; and on the expectations and experiences of students on free-standing and franchised forms of college-based higher education. Many of these research themes will appear neither novel nor cutting-edge in relation to larger debates about the future conditions and purposes of learning yet, with recent policy inquiries having failed to comprehend the nature of higher education offered by the colleges, and with a cross-departmental review of student funding in England now under way, they offer an important counter-point to analyses which privilege other levels and locations of higher learning.

## Appendix A note on statistics

### Data coverage and quality

Statistical information on HE students studying in FE colleges in England is currently published in two official series: the annual *Departmental reports* produced by the DfE/DfEE and the *Higher education statistics for the United Kingdom* produced by the Higher Education Statistics Agency and prepared in conjunction with the Government Statistical Service. In previous years, this information was derived from a single source, the Further Education Statistical Record (FESR), which covered all publicly funded FE and HE institutions, other than universities funded by the UFC. After 1994, responsibility for the collection of statistical information passed to the FEFC and HESA, for students enrolled in FE sector colleges in England and for those registered on courses in HE establishments in the UK respectively.

The Individualised Student Record (ISR) of the FEFC was collected on a different basis from that of the former FESR and the current HESA record. Not only did this create problems for the comparison of time series data but, in the case of HE students studying in the colleges and FE students studying in HE institutions, it required the FEFC and HESA to exchange data on a systematic basis. For a variety of reasons, the generation of HESA data from the ISR proved particularly problematic, such that the two bodies were only able to agree 'key facts' and the information published by HESA (for the first time from 1996) in its *Higher education statistics for the United Kingdom* was restricted to data on level and mode of study. The same basic level of coverage was given in the *Departmental reports* where time series data was published but where the numbers were slightly different from those published by HESA. For the purpose of this report and appendix, data is compiled from the annual series published in the *Departmental reports* (see Tables 1 and 2 below).

A second source of difficulty has to do with the definition and allocation of HE levels in the ISR. This was highlighted in the work of the Task Group set up by the HEFCE, FEFC and DfEE to consider, following publication of the Dearing report, the transfer of funding for all higher education provided by FE colleges to the HEFCE. Based on the ISR, the FEFC identified a total number of HE students studying in colleges which was considerably higher than that derived from other sources. This total included students on a wide range of 'higher level' vocational and professional programmes. Despite an FEFC survey of 58 awarding bodies to help clarify the nature and level of these qualifications, it was not possible to determine their status with any confidence or authority. As a result, only provision clearly defined as 'higher education' (higher national certificates, higher national diplomas and first degrees) was transferred to the HEFCE for funding from 1999–2000. This episode raised some serious questions about the quality of the data held by the FEFC on higher level qualifications and explained, in part, the variation in numbers which have been given in different sources for the amount of HE activity in further education.

A different and more difficult problem is related to the enumeration of franchised provision: the recording of students who are enrolled at HE establishments but who are taught at FE colleges for the whole or part of their undergraduate studies. Data collected by HESA on the location of study of students has been used as a proxy measure of franchised activity but in the last few years the quality of data on this group of students has improved. The best and most recent statistical information has come from an analysis conducted by the HEFCE of franchised students in 1998–1999, but its authors still suggest that the data be treated with caution because of the diversity of franchising arrangements, the different interpretations of the guidance on completing HESA returns and the complexities of the data extraction methods (HEFCE 2000b).

Finally, the existence of separate data collection systems for the different sectors of education has discouraged or delayed the introduction of a method to track the progression and mobility of students. The Dearing inquiry into higher education recommended that further work be done on this by the FE and HE funding bodies, HESA and the relevant government departments to address the creation of a framework of data about lifelong learning. This would not simply remedy some of the weaknesses in the current data but was seen as a necessary tool to assist in the implementation and evaluation of the inquiry recommendations on widening participation. In the absence of a database to do this job, attempts by researchers to link data sets for this purpose have been technically and operationally demanding, if nevertheless rewarding in the patterns they describe (Watson *et al* 2000).

In the remainder of this note, some statistical information is presented and reviewed to underpin the policy and contextual analysis undertaken in the rest of the report.

**Numbers, levels and modes**

Higher education provided by FE colleges in their own right, like that provided by institutions of higher education, underwent a rapid period of growth during the late 1980s and early 1990s. However, this expansion was strongest at the postgraduate and first degree levels, and slowest at the other levels of undergraduate education, where nearly all the higher education provided by further education was to be found. Over the peak years of expansion between 1989–1990 and 1994–1995, the total number of HE students in England grew by nearly 60%. Most of this expansion took place in the HE sector, with the number of students on postgraduate programmes more than doubling over this period and those on first degree courses increasing by around two-thirds. In contrast, the growth of HE students in the FE sector was much slower at just 18%, with the great majority of students concentrated at levels below the first degree (Table 1).

**Table 1 Full-time and part-time students in higher education, in England, by type of institution and level of course (in thousands)**

| Higher education institutions (including Open University) | 1989–90 | 1994–95 | 1998–99 |
|---|---|---|---|
| **Postgraduate** | | | |
| Full-time | 61.5 | 106.1 | 121.4 |
| Part-time | 61.8 | 147.5 | 168.3 |
| All | 123.3 | 253.6 | 289.7 |
| **First degree** | | | |
| Full-time | 399.3 | 669.8 | 730.7 |
| Part-time | 99.8 | 152.2 | 158.1 |
| All | 499.1 | 822.0 | 888.8 |
| **Other undergraduate** | | | |
| Full-time | 61.0 | 94.6 | 99.2 |
| Part-time | 103.2 | 107.0 | 164.9 |
| All | 164.2 | 201.6 | 264.1 |
| Total in higher education institutions | 786.6 | 1277.2 | 1442.4 |
| **Further education institutions** | | | |
| **Postgraduate** | | | |
| Full-time | 0.2 | 0.3 | 0.2 |
| Part-time | 1.7 | 1.9 | 2.9 |
| All | 1.9 | 2.2 | 3.1 |
| **First degree** | | | |
| Full-time | 3.4 | 9.6 | 11.9 |
| Part-time | 2.0 | 3.0 | 5.2 |
| All | 5.4 | 12.6 | 17.1 |
| **Other undergraduate** | | | |
| Full-time | 18.1 | 33.1 | 25.5 |
| Part-time | 85.8 | 83.7 | 103.3 |
| All | 103.9 | 116.8 | 128.8 |
| Total in further education institutions | 111.2 | 131.6 | 149.0 |
| **Total all institutions** | **897.8** | **1408.8** | **1591.4** |

Source: DfE/DfEE and Ofsted departmental reports

In 1989–1990 there were some 104,000 students enrolled on sub-degree programmes offered by FE colleges, the majority (83%) studying part-time. Five years later, this number had increased by only 12% to 117,000, contributing to a slight decline in the part-time proportion (72%). During the years of consolidation, these numbers continued to grow at a reduced rate, reaching 129,000 in 1998–1999. In the HE sector in 1989–1990, the number of students registered at this level was larger (164,000) and a smaller majority was studying part-time (63%). By 1994–1995 this population had grown by nearly a quarter to 202,000, resulting in a drop – as in the FE sector – in the proportion of part-time numbers (53%) at sub-degree levels. Over the years of consolidation, the total number of enrolments at these levels rose to 264,000 in 1998–1999. This was a faster rate of growth (31%) than in further education (10%) and due mainly to the expansion of part-time numbers.

As a result of this differential pattern of growth, the share of HE students registered at FE colleges fell over this period, from 12% in 1989–1990 to 10% in 1994–1995, and dropped to 9% in subsequent years. At the sub-degree levels, the share of enrolments in FE establishments fell from 39% in 1989–1990 to 37% in 1994–1995 and to 35% in 1998–1999. Even so, the colleges remained significant providers of part-time higher education, enrolling close to one in five of the total part-time population in higher education and accounting for two out of five of part-time students studying below the level of the first degree (Table 2).

More important again, these figures do not include HE students who received all or part of their teaching in FE colleges but who were registered with HE institutions. There has been no simple means of counting this category of students, but since 1994 an estimate of their numbers can be inferred from data on the location of study of students registered at HE establishments (Parry 1997). According to this source, some 37,000 students enrolled at HE institutions in England in 1994–1995 were engaged on a franchised or collaborative programme at another establishment. Just over half of these students were enrolled on sub-degree courses and another third were registered on first degree programmes. In each of these levels, over two-thirds of the franchised population were full-time students. In addition, another 9000 or more students were studying on a franchised or similar programme for part of the year.

Taken together, these represented some 4% of the total number of HE students registered at HE establishments in 1994–1995. If this number is added to the population of students enrolled on HE courses offered by FE colleges, then something like one in eight (13%) of all HE students in England were located in establishments in the FE sector in that year. However, some these students might have received their teaching at another HE institution rather than an FE college. A more detailed analysis recently undertaken by the HEFCE (2000b) identified some 30,000 students in 1998–1999 who were registered at an HE establishment and taught at an FE institution. If these are added to the 149,000 HE students enrolled at an FE college in that year, then one in nine (11%) of all HE students were receiving their teaching in the college sector.

**Table 2 Share of all higher education enrolments in further education colleges, in England, by level of course and mode of study (percentages)**

| | 1989–90 | 1990–91 | 1991–92 | 1992–93 | 1993–94 | 1994–95 | 1995–96 | 1996–97 | 1997–98 | 1998–99 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Other undergraduate levels (below first degree)** | | | | | | | | | | |
| Full-time | 22.9 | 20.4 | 22.6 | 24.5 | 25.9 | 24.6 | 22.2 | 22.7 | 21.6 | 20.4 |
| Part-time | 45.4 | 46.2 | 47.3 | 47.2 | 49.0 | 49.7 | 43.2 | 41.8 | 40.5 | 38.5 |
| All | 38.8 | 38.0 | 38.9 | 38.4 | 39.3 | 40.4 | 36.3 | 35.9 | 34.5 | 32.8 |
| **All higher education levels (postgraduate, first degree and other undergraduate)** | | | | | | | | | | |
| Full-time | 4.0 | 3.6 | 4.0 | 4.6 | 5.2 | 3.7 | 3.2 | 3.4 | 3.8 | 3.8 |
| Part-time | 24.9 | 23.9 | 23.0 | 21.0 | 20.4 | 21.0 | 19.2 | 20.3 | 19.9 | 18.5 |
| All | 12.2 | 11.3 | 11.0 | 10.5 | 10.4 | 10.0 | 8.8 | 9.3 | 9.8 | 9.4 |

Source: DfE/DfEE and Ofsted departmental reports

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Nowhere perhaps has the gap between policy and evidence been wider than in the territory of higher education in further education in England. Following the Dearing inquiry into higher education, FE colleges have been placed at the centre of national policies to increase student numbers, broaden participation, reduce the skills gap and improve the employability of HE students. Before this policy elevation, higher education in the colleges was commonly regarded as a residual or ancillary activity, its development arrested by the dual nature of the planning, funding and quality arrangements applied to this provision.

With only a slim base of research and evidence to guide policy making in this area, the colleges have since been accorded a special mission in the delivery of short cycle higher education. Asked to lead the expansion of sub-degree higher education and, then, to launch the foundation degree with partner universities, the colleges have experienced conditions less than favourable to the achievement of these and other goals incorporated into their HE mission.

This analytical account by Gareth Parry and Annie Thompson helps to explain the many silences, confusions and ambiguities which have accompanied this policy history over the last 15 years. Written for policy makers, managers and practitioners seeking to understand the changing context for higher education in the colleges, this authoritative and critical study highlights the continuing power of sector interests in the shaping of contemporary policy and the pursuit of institutional advantage.

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